EUROPE'S BUSINESS NEWSPAPER

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D 8523 B

NEWS SUMMARY

Moscow France, 'ready for UK bid dialogue' for \$5bn with U.S. order

Soviet Foreign Minister Andrei
Groupke said Moscow was prepared to conduct an "honest, open
dialogue" with Washington on
curbing nuclear arms, if the U.S.
showed a "genuine interest" in lim-

ting the arms race.
Mr Grondyko, was speaking at the 35th anniversary celebrations in East Germany, his first speech since he met President Ronald Reagan last month: He said that time would tell if Washington was pre-pared to make any positive changes in its policies.

The U.S., he said, had reacted negatively to Moscow's proposal to be-gin negotiations on preventing nuclear warfare in outer space. It was trying to "conceal with all means" its refusal to ban such weapons.

Andreotti rebuttal

Italian Foreign Minister Ginlio Andreotti denied allegations that he had aided Michele Sindona, the convicted Sicilian financier extradited from the U.S. to Italy to face charges of conspiracy to murder, extortion and fraudulent bank-

Gas injuries

Ninety people were treated in bospitals after a yellow cloud of hy-drogen sulphide insecticide leaked from a storage tank and spread across 50 sq km of New Jersey and the neighbouring New York bo-rough of Staten Island.

Pakistan clash

Troops sealed off slum areas in Karachi to comb Moslem sectation clashes in which at least five people were reported Right and about 300

S. Africa unrest

Police used whips to disperse stonethrowing youths in the South Afri-can black township of Jaza, near Port Elizabeth, as soldiers joined in

Mozambique denial

The rebel Mozambique National Resistance group denied that its anti-government guerrillas killed two italian technicians who disap-peared in southern Mozambique lest month.

Malta strike call Malta's Confederation of Trade Unions has called for a nationwide strike on Wednesday to protest against the government lock-out of

Philippines protest

Philippines business leaders were among 25,000 marchers protesting against the rule of President Ferdinand Marcos. Page 3

Liberia release

Liberian Head of State Samuel Doe ordered the release of 10 people detained in August in connection with an alleged plot to overthrow him.

Sagace wins Arc

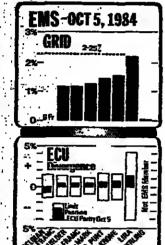
cone and owned by millionaire art. low-priced Japanese memory chips dealer Daniel Wildenstein, won the and upset the market balance. Prix de l'Arc de Triomphe at Long Page 4

Whale of a catch

her cub, freeing them with great

BUSINESS

cations companies mounted rival bids for a U.S. army contract which



tem last week. The dollar was a little weaker against the D-Mark but the latter showed no appreciable change in terms of other member currencies. The Belgian franc remained the weakest currency but was trading comfortably within its divergence limit. Fears of aggressive central bank intervention effectively deterred the violent dollar/D-Mark fluctuations seen the previous week. British entry urged,

clashes in which at least five people were reported Theorem about 300 on European Monetary System eringined.

Endia currency in the system defines the cross rates from which no currency (except the line) may more more than 2% per cent. The lower chart gives each currency. dian towns after a wave of sectar. The lower chart gives each curren-ian classes in which aix people cy's divergence from its "central were killed and more than 28 in-cy Unit (ECU), itself a basicat of Eu-

> TOKYO stocks suffered on Satur day from profit-taking in banks, securities houses and non-life insurance issues. The Nikkei-Dow market average shed 26.55 to 10.711.03 on volume of 170m shares.

LIBYA is to maintain its 13.6 per cent holding in Fiat of Italy by taking up its entitlement in the group's planned rights issue, designed to raise about L760bn (\$402m). Page 18

BRITISH TELECOM share flotation is expected to raise £3.5bn (\$4.34bn), a world record. The Financial Times today begins a two week series of articles which will take a close look at the dramatic changes under way in the telecommunications group and the new company's role in the industry.

GULF & WESTERN, the New York consignerate, has agreed in principle to sell its sugar operations in Florida and the Dominican Repu-hlic to investors headed by Cuban American brothers, Alfonso and Jose Fanjul Page 18

MITEL CORP., the Canadian telecommunications equipment manu-facturer, reported that losses rose to C\$10.1m (\$7.6m) in the three months to August 31, from C\$3.5m.

SEMICONDUCTOR makers in the Sagace, ridden by Yves Saint-Martin, trained by Patrick Bian-Technology, could allow imports of

The Financial Times apologises to readers who may not have received A Soviet fishing expedition from the Saturday edition, printed in Murmansk netted in the Barents Sen two wholes, a white bear said her cub, freeing them with great Graphical Association in the mations within the next six months.

Congress shuns new trade curbs in final package

BY STEWART FLEMING IN WASHINGTON

U.S. of goods from developing countries and allow President Ronald Reagan to negotiate a free trade agreement with Israel, is expected to be approved by Congress tomor-

A conference committee of the House of Representatives and the Senate announced on Friday evening that after two weeks of hectic activity an accord had been reached on the package of trade measures. The terms of the conference pact were promptly welcomed by the Reagan Administration and diplo-matic trade officials in Washington. Many of the protectionist clauses in the legislation, which Administra-tion officials had warned could lead to a presidential veto if they were not removed, were ultimately dropped from the trade package, while what are described as "pro-

trade initiatives" were retained. Among the major provisions of proved the Bill - which will be sent to Pres- While ident Reagan if, as expected, Con-gress approves the conference com-tioned, Administration officials also

free in the U.S.

loping country income levels.

The right to negotiate a free trade lates the underlying principles of agreement with Israel and propostals which would allow the U.S. to and Trade (Gatt). press for easier access into foreign markets for U.S. goods and more fa-

While welcoming the fact that

NEW TRADE legislation, which will year extension on the generalised gress had rejected a series of pro-extend tariff-free entry into the system of preferences (GSP) which tectionist initiatives. Some foreign allows developing countries to sell n governments and the EEC had range of manufactured and semi-threatened retaliation against U.S. processed agricultural goods, tariff exports if certain protectionist

moves were ratified. Efforts in Congress to limit the Among the major changes which number of developing countries entitled to tariff-free privileges, for example by eliminating Hong Kong,
Taiwan and South Korea from the list of nations entitled to duty-free status, were defeated. The legisla
readom to attack alleged unfair imtion does, however, give the U.S. ports, particularly from the EEC. the right to "graduate" richer devel-The new proposals will give only oping countries out of arrangement U.S. grape growers who produce for when their per capita income the wine industry the right to bring reaches the equivalent of \$8,500 a unfair trade cases against wine imyear. This is well above current deports. They will have only two years in which to pursue n case which vio-

Also dropped from the legislation were proposals to impose special vourable treatment for U.S. capital duties on ferroalloy imports; to alinvestment abroad were also ap- low unfair trade actions to be brought against countries which

Continued on Page 16 U.S. chip makers fear cost

Mediators renew efforts to end UK miners' strike

BY PHILIP BASSETT AND JOHN LLOYD IN LONDON

NEW PROPOSALS to end Britain's 30-week-old coal miners' strike will be put today to the National Coal Board (NCB) in talks with Acas, the Government-backed conciliation service, with the prospect drawing nearer of negotiations covering all parties in the dispute which might bring a settlement.

Details of the proposals, which have been examined in a series of separate discussions between Acas, he National Union of Mineworkers 20 the idea of third-party arbitration board.

the board and the NUM.

British Government ministers will foreshadow a new package of job-creation measures in speeches to the ruling Conse tive Party's conference in Brigh-ton this week in an effort to case growing worries over the renewed sharp rise in UK unemployment. Page 5

terred ver-

n disputed clause of an otherwise- case examination would allow it to he board and the NUM.

about individual, heavily loss-mak-talk.

Instead, the NUM would undering pits and the impact of market. To help to maintain this, Nacods

indicated their willingness that it should be pursued futher in talks with Acas. Resumed talks yester-day in Doncaster, South Yorkshire, between the NCB and Nacods ended with an agreement between the two sides that Acas should carry on looking at the ways to find a settle-

The outcome of today's talks between Acas and the NCB could, therefore, be crucial. If the board indicates a willingness to examine (NUM), and the two other mining sion of the Plan for Coal, which was this or any other ideas, it could lead unions, have not been publicly dis- a strategy for the industry's future to a resumption of joint talks under closed – but they do not centre on agreed jointly by the union and the the eyes of Acas, which might then the idea of third-party arbitration board. The advantage of the proposal for sociation of Colliery Management.

Senior Trades Union Congress

being put forward by Nacods, the pit supervisors' union.

Coal sources said yesterday that the proposals involved the withdrawal of all attempts by the NCB drawal of all attempts by the NCB agreement which would allow supposedly uneconomic pits to be threat, backed by an 82.5 per cent membership ballot vote in favour, and the prospect of such an impact on coal production seems to be agreed draft agreement between bring to bear all its arguments increasing the NCB's willingness to

take to consider all proposals by the forces upon a pit's recoverable re- will be holding its executive comboard for pit closures on a pragmatic, case-by-case basis, under the 1977 document "Coal to the Year have considered this proposal, have board is due to meet Acas."

UK plans only two bodies to regulate markets

By Peter Riddell in London

BRITAIN is likely to create only two self-regulatory authorities to supervise its financial markets-one to cover the securities industry and another the insurance sector.

The Department of Trade and In-dustry (DTI) has opted for the minimum number of self-regulatory authorities which, with statutory backing, will set out and overse codes of conduct for existing British

This reflects the preference of ministers in Britain's Conservative Government for simplicity and flexbility. Proposals for a statutorily backed intermediary body between the markets and the Government have therefore been rejected because of ministers' fears about creating n cumbersome British version of the U.S. Securities and Exchange Commission.

Apart from the decision against an intermediary body, the most significant development is the reduction in the number of self-regulatory authorities, or agencies, to two from the 14 suggested by Prof Jim Gower in his report on investor

protection earlier this year.

Mr Alex Fletcher, Under-Secretary for Corporate and Consumer Affairs, has argued publicly in fa-vour of a small number of authori-ties along functional lines rather than the professional lines suggested by Prof Gower.

Mr Norman Tebbit, the Trade and Industry Secretary, and the Bank of England have both agreed on the need for a simple structure with few self-regulatory authorities. The two suggested bodies will primarily be concerned with marketing and the protection of investors. The Government will set guidelines for the authorities to supervise rule books of constituent bodies.

The securities authority will oversee the registration of dealers, brokers and investment advisers, though, there will be appeal proce-dures to prevent restraints on entry and competition.

The insurance authority will deal with the licensing of sales representatives and control of commissions paid to intermediaries. Authorisaance policies and controls over advertising are already supervised by the DTI under existing legislation. The insurance body will also en-

compass the unit trust industry in view of the close similarities in marketing. Detailed proposals have yet to be approved by the relevant Cabinet committee, but Mr Tebbit hopes to

make a speech later this month ending the current uncertainty

Dutch caught out over EEC fish quotas

THE DUTCH fishing industry is op-erating a substantial "grey market," ignoring stringent EEC quotas on the size of catches allowed to the Netherlands each year under the Common Fisheries Policy (CFP).

Furthermore, according to highly confidential documeots leaked io Brussels at the weekend, the illegal catches are apparently being sold and marketed with the full knowl-edge of the Dutch fisheries inspectorate and the Government, in direct contravention of their obligations under Community law to police the CFP.

Despite discovery of the covert trade by European Commission fisheries officials in April, the Dutch authorities have so far failed to take any action to outlaw the practice

Letters sent in June to the Netherland's official representation to substantial. At an auction in the EEC, demanding their comments, received replies only this month. The Commission is oow planning legal action.

A Dutch official in Brussels said yesterday that the Netherlands had replied to the Commission's letter after the October 1 deadline regovernment officials and inspectors given had been aware of the "grey market." but attempts to stamp out the practice were now being planned. Revelation of the fisheries fraud

is certain to provoke a storm of protest from other member states. The CFP was finally agreed earlier this gotiations and substantial reductions in many national fishing

It will also come as an embar-rassment to the Netherlands, which has long enjoyed a reputation as one of the most Community-conscious and rigorously honest member states in its dealings with the

the fish are sold. Under Community Dutch quota. rules all fish landed must be attri-

port, was issuing two sales notes - There seems to be lack of political one "official" for reporting to Brussels, the other "grey" which tas."

disguised the origin of the catch.

The latest evidence suggests that

Continued on Page 16 dence suggests the figures may be cies covered by the CFP.

Sr Mario Soares's coalition Government is under increasing strain because of EEC minister phase of negotiations for Portu-gal's accession to the Communi-ty, writes Diana Smith in Lisbon. Industrial leaders hostile to Sr Soares, opposition parties and some dissenters among the Social Democrats - junior party in his centre-left coalition - are using the slow pace of negotiations to accuse the Government of akness and disregard of Portugal's interests. Sr Soares could shortly be pushed into a tense parliamentary debate on Lisbon's relationship with the

Scheveningen in April, an EEC inspector noted that only 1,000 kilos of a valuable sole catch was officially registered while 2,560 kilos were sold on the "grey market."

The inspector saw that division of

the catch was conducted in front of the Dutch inspectors, who were also quested. He said that he "could not on hand when n frank explanation completely deny allegations that of the quota-dodging system was

The Brussels fisheries' division bas decided that prosecution of the Netherlands should go ahead to make clear to the Dutch that the practice will no longer be tolerated. "Such a belief," the report concludes, "would, for example, permit year after almost seven years of ne- Dutch fishermen to continue to invest in vessels with larger capaci-ties, making retrenchment all the

more difficult when it eventually becomes unavoidable. The revelations follow closely on evidence of another substantial overcatch by Dutch fishermen. A Dutch fishing inspectorate investi-gation, ordered by the Commission, has shown that in the first four The "grey market," as it has been months of this year over 90,000 kd-dubbed by the Commission, has los of mackerel were landed while been created by double-book keep-only 27,500 kilos were officially declared – substantially under the

buted to the boat that caught them erlands officials, nothing appears to and the totals sent to Brussels.

At one auction in Ijmuiden, Comreports submitted to Brussels. The have been done to correct the catch mission fishing inspectors noted Commission concludes: The Dutch that the auction administration, supervised by the Ministry of Trans- sistently been evasive and delaying.

The quantities of fish illegally the Netherlands is now exceeding landed are unknown, but the evi- its quotas for all eight principal spe-

Spanish union and employers

(UGT), the largest Spanish trade union, which is affiliated to the ruling Socialist Party, has agreed after a tense round of high-level meetnomic pact with the Government and the employers' confederation which will govern labour relations and salaries for the next two years, point at the end of last week, main-

firing of employees.
Sr Felipe González, the Prime
Minister, had a late-night negotiat-

The pact is due to be signed in its present form on Tuesday. Hopes were still held out last night that the rival trade union to the UGT, the Communist-led Comisiones Obretas, would at the last moment endorse the pact. The pact is due to be signed in its

The formal signing of the pact is

Minister, had a late-night negotiating session with Sr Nicolas Redondo, the UCT leader, and with Sr Dose Cuevas; the employers' confederation chairman, which broke the eration chairman, which broke the eration chairman, which broke the ary rises to a 5.5 to 7.5 per cent wage band next year and to a band the details of its application to the second of the agreement, which has yet to be made public, allegedly refers to EEC legislation on dismissals, but the details of its application to the second of the agreement of the agreemen

an employer-union commissioo

conclude two-year wage pact

THE NATIONAL Executive of the Unión General de Trabajadores ings to a so-called social and eco-Talks had been close to breaking

ly because of a clause in the agree-ment dealing with the hiring and

dorse the pact.

ernmeot's present forecasts.

At present, Comisiones leaders the point where they will cover 43 have labelled the agreement a "sell-out" and have accused the Socialist 1985 and 48 per cent in 1986, against Government of forcing the UGT inthe unemployed.

The biring and firing clause that caused the virtual breakdown of the

viewed by officials as an important political victory for the Government, as it entails a broad frame for ministration official termed 'a ridlabour relations right through to die of semantics," which allowed

hiring and firing clause. The clause both bands subject to revision rigid Spanish rulings oo security of will be subjected to further negotia-should inflation rise above the Gov-employment have been referred to

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FINAL NOTICE!!!

IF THE OFFER IS NOT CONSUMMATED, MGF WILL FILE A PETITION FOR REORGANIZATION PURSUANT TO CHAPTER 11 OF THE UNITED STATES BANKRUPTCY CODE.

This is neither an offer to exchange or sell nor a solicitation of an other to buy or exchange any security. The Offer is made only by the Prispectus dated August 20, 1984 and the related Letters of Transmittal. The Office is not being made to, me will tenders be accepted from holders of these securities in any prosdiction in which the making or acceptance thereof would not be in complaince with the securities law

MGF Oil Corporation Offer to Exchange

1,532,150 Shares of its Senior Convertible Preferred Stock

34,327,590 Shares of its Common Stock for any and all of

MGF International Finance N.V.'s

Class A and Class B Non-Interest Bearing Convertible Senior Subordinated Guaranteed Debentures Due 1989 ("0% Debentures") 814% Convertible Subordinated Guaranteed Debentures due 1995 ("81/4% Debentures")

MGF Oil Corporation ["MGF"] hereby offers upon the terms and subject to the conditions set forth in the Prospectus dated August 20, 1984, as supplemented, and in the accompanying Letters of Transmittal Iwhich together constitute the "Offer") to exchange 1,532,150 shares of its Senior Convertible Preferred Stock, par value 51,00 per share ("Preferred Stock"), and 34,327,590 shares of its Common Stock, par value 5.01 per share ["Common Stock"], for any and all of the 0% and 8! 4% Debentures (collectively, the "Old Securities"), as follows: (i)

value 5.01 per share ["Common Stock 7, for any and all of the 6% and 81.% Debentures [collectively, the "Old Securities" Las follows: (i) for each \$1,000 principal amount of 6% Debentures (which must include a Class A and Class B 6% Debenture). 44 shares of Preferred Stock and 986 shares of Common Stock; and jut for each \$1,000 principal amount of 6% 60 Debentures. 44 shares of Preferred Stock and 986 shares of Common Stock. All accrued and unpaid interest will be cancelled with respect to tendered and accepted Old Securities.

The Preferred Stock will be convertible into shares of Common Stock at the following rates: (i) through October 1, 1989, 8 shares of Common Stock for each share of Preferred Stock; (ii) October 2, 1989 through October 1, 1994, 10.8 shares of Common Stock for each share of Preferred Stock, Holders of Preferred Stock, will be entitled to receive cumulative dividends, accruing from July 1, 1987, at the annual rate of 5.15 per share, and no more, payable in eash or shares of Common Stock, at MGF's option. The Preferred Stock will be nonvoting as to most corporate matters, will provide for a preferred cash payment in the event of MGF's liquidation and will be redeemable on and after January 1, 1986.

The Offer will expire at 3:00 P.N., New York City Time, on October 17, 1984 and will not be extended,
All tenders of Old Securities will be irrevocable if accepted by MGF prior to 6:00 P.M., New York City Time, on October 17, 1984.

The purpose of the Offer is to eliminate \$34.815.000 aggregate principal amount of Old Securities and \$130.055,500 of other indebtedness of MGF and to reduce MGF's secured bank indebtedness by \$29.578.223. MGF believes that following consummation of the Offer, it will be able to life remain a viable entity without the need for bankruptcy court protection and (ii) discharge its remaining debt obligations in the ordinary course of business.

One of the conditions precedent to consummation of the Offer is that 95% aggregate principal amount of each class of Old Securities must be tendered in the Offer. If the Offer is not consummated, MGF will not have sufficient each flow to pay its debt obligations as they mature and will seek protection from its creditors by filing a petition for reorganization pursuant to Chapter 11 of the United States Bankruptcy Code. If a Chapter 11 filing occurs, MGF currently intends to present as its plan of reorganization a plan substantially identical to the restructuring plan set forth in the Prospectus.

THE INFORMATION STATED HEREIN INCORPORATES BY REFERENCE, AND IS QUALIFIED IN ITS ENTIRETY BY,

THE DOCUMENTS CONSTITUTING THE OFFER.

The Certificate of Incorporation of MGF and a legal notice relating to the Offer have been filed with the Chief Registrar of the District

Court of Luxembourg, where copies may be obtained upon request.

Offerees with questions concerning the Offer may contact W. Phillip Mareum or Bobby W. Page of MGF by collect telephone call to (915) 685-9700. telex 743-472. In order to obtain promptly, at the expense of MGF, the documents constituting the Offer, contact:

or by Hand

Banque International à Luxembourg, S.A. Two Boulevard Royal Luxembourg Attention: Daniel Schammo

Telephone: 352-4791354 Telex: 3626
Telecopier: 352-27913
Attention: Daniel Schammo



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OVERSEAS NEWS

Andreotti denies he aided Sicilian financier

BY ALAN FRIEDMAN IN MILAN

Italy's Foreign Minister, vesterday denied allegations that he had ever aided Sig Michele Sindona, the Sicilian financier. Siz Sindona was last week extradited from the U.S. to Italy to face charges of conspiracy to murder, extortion and fraudulent backruptey. Sig Sindona is already serving a U.S. prison sentence for offences related to the collapse of his U.S. bank.

On Thursday night the Chamber of Deputies rejected of the collapse of the Chamber of Deputies rejected of the collapse of the Chamber of Deputies rejected of the collapse of the collapse of the collapse of the collapse of the chamber of Deputies rejected of the collapse of the collapse of the collapse of the chamber of Deputies rejected of the collapse of the collapse of the collapse of the chamber of Deputies rejected of the collapse of the collapse of the collapse of the collapse of the chamber of Deputies rejected of the collapse of the collapse

SIG GIULIO ANDREOTTI, a motion calling for Sig Christian

Sig The allegations against Sig

SA activists

await court

judgment

By Anthony Robinson in Johannesburg

THE FATE of the three anti-apartheid activists left in the British consulate in Durban after the re-arrest on

Saturday of three men who left the building hinges on today's expected judgment by the Pietermaritzburg Supreme

Court.
The full bench is due to amounce its judgment on an application by the six men's lawyers for the setting aside of redetention orders served.

Nato 'would welcome' stronger European defence identity

BY BRIDGET BLOOM, DEFENCE CORRESPONDENT, IN LONDON

defence of the North Atlantic Treaty Organisation as a whole and would be welcome. Lord

which groops seven of Nato's 14 move would he "an excellent European members, including thing."

THE CREATION of a Enropean will examine ways of relaunchdefence identity would be a ing the WEU, formed in the his first British television intermeans of strengthening the European defence convertation. European defence co-operation.

Lord Carrington said his only reservation about such a move priorities as being in maintain was that the U.S. should not deterrents against the military

Carrington. Nato's Secretary see it as an attempt by Europe General said last night.

Lord Carrington said he wellowed the forthcoming meeting of the Western European Union, behind a relaunched WEU, the determined the suspicious about the motives and the suspicious about the motives are that Europe and America did not drift apart.

He believed the perception of some infinential U.S. Britain, France and West
Germany.

The meeting will involve both foreign and defence ministers of the seven in Rome at the end of this month. The ministers ture on defence.

Lord Carrington said a senators that Europe was failing to contribute its full share to Nato's defence could lead to a "situation of very considerable gravity unless action was taken."

of redetention orders served in them under section 28 of the internal security act, which provides for detention without trial. If the court finds in their favour the three men are expected to leave the consulate voluntarily. But

they are expected in stay if the judgment confirms the validity of the orders signs by Mr Louis lo Grange, Minister for Law and Order, shortly after their release on technicistic manner. a technicality nearly a month

ago.
Meanwhile troops appear to have been used for the first-time in support of police engaged in anti-rlot duties over the weekend in the black township of Joza close to Port Elizabeth.

Pan Am to shed 900 more jobs and close down some centres

BY WILLIAM HALL IN NEW YORK

PAN AMERICAN World Airways, flown by Pan Am, a good proxy for the European consortium, to moder-the hig U.S. airline which has lost capacity, is 6 per cent down on a some \$650m over the last three year ago. the European consortium, to modernise its ageing fleet has been bedevilled by cost difficulties and its surnine reservation centres in the country to cut costs.

Pan Am is closing two large reservation centres. The airline is also

closing its Hawaii reservation cen-

some \$650m over the last three year ago.

years, is making 900 of its U.S. staff redundant and closing three of its in Chicago and New Orleans, where wage concessions granted by its workforce in recent years. The company faces key wage ne

The airline, which came near to bankruptcy in 1982, said the layoffs cuts in ground staff and manage and Wall Street analysts say the -equivalent to just under 4 per cent of the domestic workforce — "reflect the downsizing the airline has gone through over the past several months." The number of seat miles

List in ground stair and manage and wan street analysts say the ment personnel, Pan Am employs outcome of the negotiations will be continued to the company's longterm future, Pan Am said the latest cuts future, Pan Am said the latest cuts were in no way connected with the forth coming wage negotiations.

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Swedish economic recovery forecast to falter next year

BY KEYIN DONE, NORDIC CORRESPONDENT, IN STOCKHOLM

THE STRONG export-led growth in the Swedish economy by 7 per cent in 1985 compared over the last two years is exwith the government's goal of pected to slow to only 2 per 5 per cent, giving a rise in inflacent at an annual rate in 1985, tion of at least 4.5 per cent, giving a rise in in cent at an annual rate in 1985, tion of at least 4.5 per cent, giving a rise in in cent at an annual rate in 1985, tion of at least 4.5 per cent, giving a rise in in the least follow is given by the latest follow is given by the latest follows.

Higher costs and higher in-flation will slowly undermine Sweden's competitiveness in foreign markets as the benefits of the 1981-82 devaluations are eroded, a report by the institute

grow about 3 per cent in real terms this year.

The institute makes clear that Sweden's Inflation rate, pared with the government tar-get of 4 per cent.

An even more pessimistic outlook is given by the latest fore-cast from Svenska Handelsbanken, the country's second largest hank, which indicates a jump of 8.5 per cent in wage costs and a slowing in the volume of exports to only 3 per cent compared with 7 per cent this year and 11.5 per cent in 1983.

Handelsbanken says that the two devaluations have only given temporary relief to the Swedish economy. "Current trends Indicate that we are on which is still running well given temporary relief to the above that of its main competitors such as West Germany, will still be as high as 6 per the way to new crises," says the cent by the end of 1984 competitions will give rise to concern in the government as to concern in the government as the concern in the government as to concern in the government as the concern in the government as it. report which will give rise to concern in the government as It

Iceland airport blockade eased

PICKETS TAKING part in a public sector strike in Iceland eased their blockade of the country's only international airport last night and state radio resumed newcasts for the first time in a week. Reuter reports from ReykWorkers blocking the airport gates as part of the strike, launched on Thursday by the 17,000-strong public sector unions against the Right-wing government's economic policies, agreed to allow through passengers from incoming flights.

from incoming flights.



Could this be YOU in a few years' time? — remembering when milk

was 10p a pint. Never thinking that one day buying another pint of milk would be a decision calling for a second thought.

These are the needy whose provision for their twilight years was fixed at a time when index linked pensions had yet m be invented and inflation.

a time when index linked pensions had yet m be invented and initiation
was never envisaged.

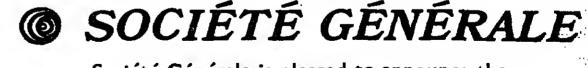
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TRUM

OVERSEAS NEWS

Filipino businessmen demonstrate against Marcos government

BY EMILIA TAGAZA IN MANILA

yesterday joined a big antigovernment rally to protest
against the policies of President
Ferdinand Marcos and the
increasing use of military force
in dispersing demonstrations

and the programme is aimed
principally at helping businessmen and that they would be
working against the best
interest if they destabilise the
government through demonstrations "be said. in dispersing demonstrations.

Representing the businessmen's group, Mr Jaime Ongpin, president of Benguet Corporations of the powers's him. from one of the country's big-gest mining companies, told about 15,000 Manila demonstra-

In an angry speech broadcast fidence faltered. It was late last nationwide last Friday. Mr Marcos warned against holding war, after the assassination of Mr Benigno Aquino, the opposition arrest some of my business and Manila's middle class started to turn on in large numbers in the continued the description. if they continued the demonstra-tion without a permit. Mr Marcos backed down over

annist Annist

nik

71.17

PHILIPPINE businessmen and commercial creditors for a

The Philippines is trying to complete negotiations with the IMF for a \$615m (£500m) standby credit, and with foreign bankers for a re-scheduling of loss and for some new money. tors that many businessmen The country's foreign debt wanted in be counted in the problems were triggered late "parliament of the streets," to seek government reforms.

The country's foreign debt problems were triggered late parliament of the streets," to seek government reforms.

Mr Marcos said a rally by yesterday's rally and averted a businessmen would put negoposible showdown by authoristiations with the country's intering the issuance of a permit for national creditor banks in it after asking for assurance danger. from the businessmen's group
"Present negotiations with the
International Monetary Fund stration peaceful and orderly.

Arrests follow Indonesian bomb attacks on Chinese BY CHRIS SHERWELL SOUTH EAST ASIA CORRESPONDENT

INDONESIAN police say they blasts were the work of have arrested several people "terrorists seeking to blackmail have arrested several people "terrorists seeking to blackmail following last Thursday's bomb the government."

The targets of the clearly nesses, which left two dead and 16 injured in the capital,

The attacks, for which no one has claimed responsibility. nine people were killed when
Jakarta's dockland was rocked
by some of the country's worst
in a decade.

Moslems
ernment

but officials are not comment-ing. President Suharto last Friday said the country had reached a "dangerous stage." and General Benny Murdani, to unsettle Indonesia's Sm the armed forces chief, said the Chinese.

coordinated attacks were grocery shop and two branches of Bank Central Asia part of the massive The attacks, for which no business empire of Mr Liem one has claimed responsibility. Sice Llong, an Indonesian were the first in years, and Chinese tycoon, said to be close came three weeks after at least to President Suharto.

The rioting last month rupted after extremist nine people were killed when Jakarta's dockland was rocked by some of the country's worst rioting in a decade.

Western diplomats think that the two incidents may be linked, but officials are not commenting. President Suharto last security forces about 20 people are thought to have been killed. The two incidents seem likely

Malaysia supports currency

ER WONG STRONG IN KUALA LUMPUR

DATES: MUSA HIP M. the The strong pressure of the acting Malaysian. Prime: currency began on Friday when Minister, yesterday squashed the ringgit fell more than 10 tion, following strong pressure dollar, and this sparked off against the ringgit last Friday, fears of an impending denterwened that the Malaysian central bank had intervened the support the ringgit, but added: "The subject is very sensitive. I am not willing the say anything more save the categorically state there will be no devaluation of the ringgit."

per cent below the Singapore dollar, and this sparked off cears of an impending devaluation. Traditionally, the Malaysian central bank had to intervene the ringgit will be respectively state there and buy ringgit which closed at 2.397 compared with Thursday's 2.37.



Banks face dilemma over loans to Peru

By Peter Montagnon. **Euromarkets Correspondent**

PERU'S creditor banks face an agonising choice over a plan for them to disburse \$100m in loans arranged last year, in spite of the fact that the government of President Fernando Belaunde Terry is in breach of its International Monetary Fund Economic tar-

The plan was put forward at a meeting of bank creditors last week as one means of allowing Peru to clear interest arrears on its debt in commercial banks. The late payments will amount to \$208m at the end of this menth.

lar to those already worked oot fur Argentina, the idea is that Peru should draw on its \$950m foreign exchange reserves to make up the rest of the arrears, so that banks wil receive more money back from Peru than they actually

But many of the banks on the committee of leading creditors, which is chaired by Citibank, are reluctant to make any fresh money available in Peru until it reaches a new agreement with the IMF. The banks' britation has increased because the Peru-vian delegation failed to show up at last week's talks

A further meeting is planued shortly amid worries that U.S. banks may have to declare their loans to Peru as sub-standard if the interest arrears cannot be made good. Peru has not been paying interest since last July and has failed in complete arrangements to reschedule

arrangements to reschedule some \$2.6bn in foreign debt. As an interim measure banks have been asked to roll forward the maturity of the debt to be rescheduled to December 10 from October 10, but there are growing doubts that the rescheduling can be completed even by then as resistance reports in Lime to the IMF austerity pro-

Chile threatens legal action against unions

By Mary Helen Spooner in Santiago CHILE'S Interior Minister, Sr Sergio Jarpa warned that legal action would be taken against the opposition trade unions who called for a general strike against Gen Augusto Pinochet's regime on October 30. The National Labour Command, an umbrella organisation of dissident labour groups, issued the call for the strike last Thursday, citing recent

price rises in the wake of last mouth's devaluation. Sr Jarpa said the authori-ties would either file suit in tes would either measures, suggesting the Pinochet regime might use its special powers under the state of emergency to deport the strike leaders ar send them into internal exile.

Chilean authorities brought suit against the organisers of last month's auti-government protest, but the courts have yet in take any action against the defendants.

Civilian courts to try military

ARGENTINA'S FEDERAL Appeals Court has announced that the nine members of the three former juntas will now be tried by civilian courts but that other middle and junior ranking officers should continue to come under the jurisdiction of military courts, Jimmy Burns writes from Buenos Aires.

The decision not to extend

The decision not to extend the October 11 deadline for a military verdict on the juntas opens up the prospect of a bitter conflict over jurisdiction between the military and civilian powers. In theory the government should be able to cosure an early judgment on the juntas

This announcement appears as a matter of record only.

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8th October 1984

Israel is asking the U.S. for help out of an economic crisis. David Lennon reports

Peres puts faith in his powers of persuasion

that he is not flying into be secondary. Washington today cap in band It will take to beg for a cash hand-out to rescue Israel from its self-inflicted economic woes.

economic crisis will be at the top of the agenda in his meet-ing with President Ronald Reagan and even more so in his meetings with Mr Georga Shultz, the Secretary of State. who has taken a persocal in-terest in the Israeli economy. Mr Peres will telt his hosts that Israel has begun taking the necessary measures to combat 400-800 per cent inflation and a

more than \$4bn (£3,22bn) deficit on the current account of

conomic growth.

The success of the Labour for curbing private demand and Party leader's first visit to the U.S. capital as premier will be Sibn from the budget of measured by the degree of economic support he can muster. The issues of Israeli recovery programme has to he withdrawal from Lebanon, improving relations with Egypt inflation. It was running at an

MR SHIMON PERES, the and expanding the peace pro-Israell Prime Minister, insists cess to include Jordan will all

It will take all of Mr Peres persuasive powers to convince his hosts that the steps taken by his government in its first three weeks in office constitute But there is little doubt that three weeks in office constitute a sound basis for the economic reform programme which his government wants to imple-

> Mr Shultz and nthers will have much ammunition at their disposal to question the adequacy and the efficacy of the government's economic measures. This has been provided by members of Mr Peres own Cabinel, who have openly expressed their openly expressed their disappointment at what bas been achieved so far.

When the multi-party coali-

of the balance of payments.

Where Israel needs help, he will say, is in coping with its falling foreign currency reserves. \$22bn foreign debt reform policy. Instead, the Cabinet has slowly approved a comprehensive economic reform policy. Instead, the Cabinet has slowly approved a price of piecemeal measures

Israel's Defence Minister, Mr Yltzhak Rabin is consideriog replacing Israeli military commanders in charge nf civillan affairs in the necupied West Bank and Gaza Strip with local Palestinian mayors, Israel State Radio said yesterday. Renier reports from Tel Aviv. The radio report said Mr Rabin made the remark at a meeting with

anoual level of 400 per ceot until the latest economic measures were imposed and expected to push it up to 800 per cent.

Israeti-Arab partia

tarian seeking better condi-tions for 1.3m Palestinians who have lived under Israeti

rule since Israel occupied the

territories in 1967.

Mr Yitzhak Modai, Finance Minister, admitted last week that this is inevitable. He expects the monthly inflatloo rate to exceed 20 per cent for each of the next three months After that bis measures will begin to force inflation down, be hopes.

ment is hoping that this can agreement with the powerful Histadrut Trade Union Federa tion and the Manufacturers' Association. This agreement was to be based on a partial cost of living supplements paid monthly in workers compensate for inflation.

But the Histadrut is reluctant to agree to this. During the past five years of hyper inflation the linkage of wages to the cost of living lodex has been the only safeguard of its members income. Mr Gad Yaacobi, the Minister

of Economic Co-ordination, admitted ruefully the other day: "I believe that we have missed the opportunity for a missed the opportunity for a dramatic turning point in the sphere of curbing inflation. If we don't reach agreement with the work of science and Development, admits: "We have an immediate problem, but we are not

The economic crisis is already at hand, as evidenced by the sharp drop in foreign currency reserves for each of the past three months. They now total only \$2bn, way below the \$3hn regarded as the minimum needed to finance three months' the burd The key lies in a freeze on purchases of basic commodities. economy."

Israel has been unable to halt this drain by horrowing from the international banks, which refuse to increase their lending. Mr Peres will be seeking U.S. assistance in this

been taken by the Government so far are regarded by many people as inadequate.
The measures taken include

subsidy cuts, re-introducing high school fees, taxing children's allowaoces, halving the foreign currency allowance for travellers and import restric-

Some American economists have described the measures taken so far as 'shooting from the hip," meaning that they are hasty reactions to the situation

we don't reach agreement with the unions and manufacturers the only alternative is a serious all problem, but we are not behaving as though this was the case. We are improvising, here and there, some economic steps. I don't think that even as per-Peres can explain that thus we have tightened the bolt and that we have taken upon ourselves the burden of curing the

Conditions for British EMS entry 'better than ever'

BY ALEXANDER NICOLL IN LONDON

System are better than at any time in the system's 5%-year life, argues a report by two UK economists.

Mr Geoffrey Dennis, senior econ-omist at London stockbrokers W. Greenwell, and Mr Joseph Nellis, a lecturer at Cranfield School of Management, writing in the quarterly Lloyds Bank Review, note a

THE CONDITIONS for British en- British governments to argue evitable, decline of the petro-status try into the European Mooetary against full EMS membership. of the pound makes full membercurrencies are kept in fixed, nego-tiated bands, but does take part in

other co-operative arrangements. The present configuration of markedly less volatile than currenrelevant factors including the curcies outside the system, and that its rent design of macroeconomic poli-cy, the level of sterling against EMS remarkable ability of successive currencies and the gradual, but in-

They argue that the eight EMS member currencies have been crises has demonstrated its flexibil-

of the pound makes full member EMS member countries has shown Britain does not participate in the ship of the EMS particularly appro- an impressive degree of converexchange rate mechanism, in which priate," Mr Dennis and Mr Nellis gence since 1981, the two meo write, although they acknowledge that this has been only partly due to the EMS itself, and that significant

differences remain. flation group in the EMS is, bowever, both encouraging and wholly

to the exchange rate mechanism

Answering fears that sterling's tendency to move in tandem with the UK Government if the pound was an EMS member, Mr Dennis The performance of the UK as and Mr Nellis say a common Euroan average member of the low-inpean strategy could be forged towards the dollar and U.S. interest

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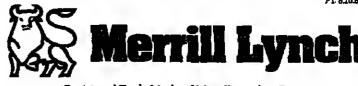
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Bids for a battlefield system make history

of two rival bids for a £4hn U.S.

army contract. Heading the two bids are U.S. companies, but the equipment they are offer-

they have ever made. Certainly, it seems to be the largest contract opened in foreign competi-tion by the U.S. military— unusually, for such a high tech-nology area, there is no direct U.S. contender for the contract. The British and French Gov-eraments are both taking a keen

eruments are both taking a keen interest in the hids of their respective companies—on the British side, Mrs Thatcher, the Prime Minister, is being kept informed, white Mr Michael Heseltine, the Defeoce Secretary, has ordered officials and the top army brass to give their full co-operation. "We have a real UK Ltd. approach. It's been a unique collaboration," says Mr Michael Clarke, deputy chairman and deputy chief executive of Plessey.

Australian deal won by ACT

Applied Computer Techniques, the fast growing British com-nuter group, has won a A\$5m (£3.3m) order for the Apricot from two New South Wates government departments through its Australian distributor, Barson Computers, Jason Crisp

Barson won the contract in competition with 30 other companies and expects the orders to World Airlines (TWA) to transin Washington recently, when be increased to A\$20m during port passengers between Greece the two sides failed to agree on and the U.S. was denounced as the designation issue. The 1948

The U.S. army has asked for bids to supply its Five Corps, comprising 25 divisions, with new battlefield communications army contract. Heading the two bids are U.S. companies, but the equipment they are offering is respectively British and French.

Plessev of the UK and Thomson CSF, of France, the main European companies concerned, believe this is the biggest telecommunications contract is for what the British Army from early next year and Thomson CSF. from early next year and Thom-son, Joining the U.S. company GTE-Sylvania is putting forward Rita (Reseau Integré des Trans-missions Automatique).

Both systems offer enormous improvements on current battlefield communications. They are both fully mobile, area systems, much more secure, much more capable and resistant to damage that their predecessors. Plessey claims that Ptarmigan, being all-digital and being produced two years later than Rita, is the more flexible and secure. Thom-

a new civil aviation agreement are deadlocked over a demand by Athens that only one U.S. airline be designated to serve

Creece. A 1946 Greek-US civil aviation

agreement, which allows Trans-World Airlines (TWA) to trans-

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BY ANDRIANA IERODIACONOU IN ATHENS

WHEN A LARCE truck drove up to a U.S. Army building in Fort Monmouth. New Jersey last week to deliver several hundredweight of documents, bistory was in the making.

The U.S. army has asked for British companies inally planned (after the break associated with the Ptarmigan down of a collaborative project with Britain in 1970) as a U.S. venture and the technology is certainly there to produce it. But the system actually being as the U.S. army has asked for British companies in ally planned (after the break associated with the Ptarmigan down of a collaborative project with Britain in 1970) as a U.S. venture and the technology is certainly there to produce it. venture and the technology is Ambrose or Mr Welnberger certainly there to produce it. Were to be moved in the after-But the system actually being math of the U.S. election. produced in the U.S.-known as

Tri-Tac (for tri-service tactical communications) is said to be less mobileand more manpower-intensive than either Ptarmigan or Rita. Following a review by year. Mr Jim Ambrose, the U.S. year, Mr Jim Ambrose, the O.S. army secretary, with the back-ing of Mr Casper Weinberger, the Defence Secretary, decided to hold the present competition between "off the sbeif"

Though it quickly became obvious that the British and French systems were the only real contenders, both are chary of discussing their bids—not surprisingly, since the next stage involves not only tests of the rival equipment by the U.S. army but tough neogtiations as the companies refine their bids to "best and final" offers,

more flexible and secure. Thomsom, however, points to the advantage of Rita's having been more fully tested in the field.

By what seems a quirk of history, there is no comparable U.S. system. A complete area system like Ptarmigan was original. The most immediate concern is probably political. Notwithstanding that both European concerns have strong U.S. partners, and obviously have included a large (though unspecified) amount of U.S. work in their bids, the powerful U.S.

A first round of negotiations

for a new air pact was cut short in Washington recently, when

inally planned (after the break industrial lobby could decide about 25 per cent of the GTE to fight it, or, for example, poli-tical support for the contest could be undermined if Mr

> Politics aside, the key factors which will determine which system is chosen are how the equipment itself performs and what sort of deal each consor-tium is offering. Thomson re-fuses to comment on any aspect of its bid, though it lists its principal advantage as heing the fact that Rita has been operational with a division of the French army since 1982.

Plessey claims greater flexibility for Ptarmigan—it has any untoward risks on the fin-packet switching facilities for anciat side." example (the automatic trans-mission of packets of data by the fastest route). It is fully digital, and thus said to be more

of principle.

securing multiple designation- profit terms," for TWA.

the right of several airlines to
Athens, on the other hand,
operate the route—as a matter
sees single designation as vital

A spokesman for TWA in New Olympic Airways, the national

Rita system-the rest could be U.S. components. Plessey suggests though refuses to confirm
—that Ptarmigon may be a
higher proportion of the Bock well-Plessey bid.

Whatever their differences, it is apparent that both European companies have had difficulty companies have had difficulty conforming to the tender terms. The U.S. army is believed to have asked in its original request for proposals for the quotation of fixed dollar prices up to 1890. It is not clear whether this remains mandature. tory. All that Mr Clarke will say is that "we have not taken

If and when a contract is awarded late next year, it will be for small initial quantities; digital, and thus said to be more secure, while 90 per cent of faults which develop can apparently be automatically corrected within three minutes.

However, the differences between the U.S. army's Communications and Electronics Command at Fort Monmouth (each bid consists of nearly 50,000 pages, duplicated 100 times) do not only reflect the differences between the two systems. It is suggested for example that though the winning partnership would obviously expect to get the five planned follow-on orders there is not will be no guarantee that it will. Yet the prize is large: Plessey reckons its sales of Ptarmlgan to the Stritsh army at £600m.£700m. Twice that sum could now be involved to Plessey—or Thomson. Beside such a deal, even the recent £600m British Aerospace -Rolls-Royce contract to sell Hawke aircraft and engines to the U.S. Navy would pale. though the winning partnership would obviously expect to get

U.S.-Greek air agreement talks deadlocked

for eosuring the survival of

NEGOTIATIONS between the "one sided and colonial" by the agreement will expire in FebGreek and U.S. Covernments for Papandreou Government last rusry, 1985, under a 12-month ton's negotiating demands, but termination clause. No date has a hoped "the issue would be kept to a second round" the issue would be kept to a second round realistic." The spokesman way.
"In return, China will be able to contribute more to the growth of the world economy," applications by Air National and of talks.

Transamerica, both of Cali

The U.S. side is said to regard "important historically and in

He said there should be no anxiety in the west about the permanance of China's "opendoor" policies. The Chinese people would not accept a return to China's formed itselation.

return to China's formec isolation.

"The open-door policy is now China's fundamental poticy. Were any change to occur, it could only be that China would open still widec, Anything else would not be favoured by our people," he

was considering more incen-tives to attract investment, ipcluding a further cut in the existing preferential tax rate of 15 per cent in the special economic zones and 14 coastal cities.

 Signature of an agreement for the joint production in Shanghal of Volkswagen cars and engines is likely to be the most concrete result of cellor Helmnt Kohl to China which began yesterday, Rupert Cornwell writes from

The planned joint car venture involves fbe establish-ment of an equally-owned Sino-German corporation which will assemble 20,000
Santana vehicles autually
from 1988. In addition,
100,000 VW engines witt be assembled per year, of which 20,000 will serve the domestic Chinese market and 80,000 VW's world wide vehicle as sembly network.

Deng seeks bolder steps from foreign investors

By Mark Baker in Peking

DENG XIAOPING, the Chinese leader, has urged leading Western businessmen to promote investment in China as a means of assisting internationat economic

internationat economic growth and peace.

"China's development, seen from an international political and economic point of view, will benefit world peace and world economic development," Deng sald at a weekend meeting with 42 industrialists, economists and bankers from Japan, the U.S., Western Europe and Australia.

He told the group, Peking for an economic symposium, that they should have trust that China's policies would not change and they should not hesitate to take commercial risks in

"Yon should take higger, bolder steps. China means what it says, and we will stick to contracts," Deng said. The group included Slr John Nott, the former British Defence Secretary and now director of Lazard Brothers, Sir Roderick Carnegie, the chairman of CRA of Austra-lla, and Mr Robert H. Roight, the former U.S. under-secretary of Defence and now a senior partner in Shearman

and Stirling.

Deng said China needed foreign funds and technology to develop its economy, but the benefits were not one-

be said.

In an address to the threeday symposium late last week, Gn Mn, a Chinese state coun-

U.S. semiconductor makers fear effects of price cut

BY LOUISE KEHOE IN SAN FRANCISCO

U.S. SEMICONDUCTOR manufacturers fear that a recent dramatic cut in the price of memory chips by Micron Technology, of Boise, Idaho, could upset the delicate batance of trade in the \$2.5bn (£2bn) world market for 64k random access memories (rams).

Micron, a new company with sales for the past nine months of \$50m, last week told cus-tomers that it was reducing its 64k ram prices to \$1.85 on in-dustry standard 200 nanosecond dustry standard 200 nanosecond parts and \$1.95 for faster 150 nanosecond parts. These prices are significantly below prevail-ing U.S. prices of about \$3 per part. Other U.S. manufacturers now

Other U.S. manufacturers now fear that the Micron Technology price cuts could open the door to similarly low-priced Japanese exports to the U.S. Japanese 64k ram producers are at present following, but not leading, price trends in the U.S. market. U.S. producers believe that the Japanese are being careful not to raise the issue of predatory pricing which could augravate the protectionist U.S. trade pressures.

rade pressures.
Last year, the U.S. semi-conductor industry gained significant support in Washingsignificant support in Washing conductor Industry Association for for its complaint that lapanese "targeting" of the U.S. ram market had had a severe impact on the ability of U.S. companies to compete. U.S. companies to compete. Japanese manufacturers drove U.S. prices down to unrealistic-

U.S. SEMICONDUCTOR manu- ally low levels, the U.S. chip Following trade negotiations between the U.S. and Japan, the Japanese agreed to set up a monitoring system that would enable the U.S. to measure semiconductor trade between the two countries. Unofficially, the Japanese have also become less aggressive in the U.S. market, according to U.S. commarket, according to U.S. companies. A booming Japanese market, which has kept Japanese producers occupied with home demand, has contributed to Japanese sales patterns, U.S. prodocers believe. Now, however, there are signs of softening in 64k ram demand as the next seneration. signs of softening in 64k ram demand, as the next generation 256k rams become available and the U.S. industry is once more concerned that Japanese competitors will "buy" market sbare in the U.S. The Micron Technology of the control of the U.S. The Micron Technology of the control of the U.S. The Micron Technology of the control of the U.S. The Micron Technology of the control of the U.S. The Micron Technology of the control of the U.S. The Micron Technology of the Control of the U.S. The Micron Technology of th Technology price cuts could provide an excuse for Japanese

provide an excuse for Japanese price cutting, they fear.

Significant price-cutting in the U.S. market could significantly change the 1985 outlook for the industry, Mc Irwin Federman, president and chief executive officer of Monolithic Momories, warned U.S. com-Memories, warned U.S. comconductor Industry Association forecast meeting. The SIA fore-

Dry cargo rates relapse

BY ANDREW FISHER, SHIPPING CORRESPONDENT SHIPPING markets remained slack last week, but some brokers claimed to detect signs of a possible uplift in coming months. Even so, the surplus of available tomage is likely to limit any improvement in rates.

The outumn revival in dry eargo rates, said Denholm Cootes, had been followed by a distinct relause in most areas.

Soviet chartering, the extent of which remains secret. Matheson (Chartering) said that the gramme in the 1984-85 crop gramme in the 1984-85 crop year, which should help the market.

It also noted that the dollar's rise against other currepcies meant many owners earning.

The outumn revival in dry eargo rates, sold Denholm Cooles, had been followed by a distinct relapse in most areas. "Owners can be little but disappointed by events of the last fortnight."

The rate for grain from the U.S. Guif to Europe feil in \$8 a lon, not far from the summer the content of the summer the overall effect of being paid.

a lon, not far from the summer low of \$7.75 and well below the April/May level of \$10.50.

But there has been some

the overall effect of being paid in a strong currency has been beneficial."

World Economic Indicators

TRADE STATISTICS

		Aug. '84	July '84	June '84'	Aug. '8
U.S. Shn	Exports	18.036	19,442	17.633	16.583
	Imports	26.567	31.883	25.356	22.71
	Balance	-8.531	-12.441	-7.723	-6.t3
UK Ebn	Exports	5.951	5.476	5.893	493
	Imports	6.518	5.614	5.990	5.01
	Balance	-0.568	-0.137	-0.097	-0.08
Japan Sbn	Exports	13,292	14.807	14,760	11.63
papers and	Imports	12,176	71.608	10.744	9.95
	Balance	+1.116	+3.199	+4.016	+1.67
W. Germany DMbn	Exports	37.90	39.46	35.41	36.0
itt demeny bribit	Imports	. 34,10	36.47	34.14	
	Balance	+3.80	+2.99	+1.27	+3.8
France Fron	Exports	76.54	69.33	69.00	63.9
	Imports	73.02	69.92	74.25	64.7
	Balance	+3.52	-0.59	-5.25	0.8
		June '84	May '84	Apr. '84	lune '8
Italy Lirebn	Exports	8,567	10,039	9.509	9.38
	Imports	10,330	12,115	11,157	9.54
	Balance	-1.769	-2.077	-1.642	-15

Notice to bondholders

Norsk Hydro A/S 9% Bonds due 1991

Notice is hereby given, that pursuant to paragraph 4 (d) of the trust deed US\$2,500,000 principal amount thereof has been purchased by Swiss Bank Corporation, Zurich, as purchase agent during the year of 15th September, 1983, to 14th September, 1984,

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October 1984

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UK NEWS

Spending demands threaten tax cuts

By Robin Pauley and Max Wilkinson

DEMANDS for "essential" extra public spending next year are more than enough to wipe out the pros-pect of tax cuts in the next budget, inisters are to be told

It now seems certain that three Cabinet ministers will have to appear in a so-called Star Chamber meeting to argue for increase which the Treasury has so far failed

They are Mr Michael Heseltine Defence Secretary, Mr Norman Fowler, Social Services Secretary, and Mr Peter Walker, Energy Sec-

Their departments account for the flow's share of the 12bm to 13bm of excess bids still in dispute after a series of bilateral talks between Mr Peter Rees, the Treasury Chief Sec-

retary, and spending ministers.
This year's talks, aimed to cut spending plans back to the £132bn target set by the Treasury in March, are acknowledged to have been much tougher than last year's.

The Treasury and the Prime Minister are still hoping to meet the overall target by negotiating cuts which will offset the overruns to spending estimates which are agreed to be "irreducible" mainly as

a result of existing commitments.

Ministers will be told at a Cabinet meeting after the Conservative Party conference that these cuts are esany chance of making the £2bn of any chance of managers and the curs which were scheduled for additional low paid employees.

Conservatives plan new measures to create jobs

Ministers believe the Govern-

ment must be seen to be responding

in face of last week's record unem-ployment figures and the prospect

Apart from foreshadowing a job

inisters will use the conference to

creation package later this autumn.

highlight the relationship between

high wage increases and rising un-

The Brighton conference is likely

ted to speak on Tuesday.

servatives are representing the na-

gainst the challenge to law and the

Mrs Margaret Thatcher is expect-

BY PETER RIDDELL AND ALAN PIKE

A FURTHER package of job crea-tion measures is being prepared in Whitehall and will be foreshadowed in a series of ministerial speeches at the Conservative Party conference which starts in Brighton tomorrow. It is the latest effort to defuse growing party worries over the renewed sharp rise in unemployment to 3.009m.

This follows the announcement over the weekend of the formation of a new Government Enterprise Unit in the Cabinet Office under Mr David Young, the new Minister without Portfolio who will shortly become a life peer.
Mr Young wants decisions "with-

in months rather than years" and egislation is possible next year, if

moting and job creation, Mr Young is also giving attention to small companies, competition policy and the reduction of controls and regu-

As an immediate priority the Government is preparing a package of measures to encourage the creation of more low-paid jobs, particularly for young workers. This reflects ministers concern that inflexed to argue in her major conference speech on Friday that the Conibilities in the labour market are preventing the creation of jobs on

attacks on the police in last week's Among possible moves are reductions in national insurance contributions to encourage low-paid A Market and Opinion Research International survey conducted last Wednesday and Thursday during workers to take up employment and an extension of the young the Labour conference, in yester-day's Sunday Times, shows that the workers' scheme whereby employers receive a subsidy for taking on Tories have recovered to a big lead

over Labour in recent weeks. The Conservatives are put at 43 per cent against 35 per cent for Labour and 19 per cent for the Alliance.

The conference has been pre ceeded by an unexpected squabble between the Prime Minister and an official Tory research body. Mrs Thatcher describes as "crackers' suggestions by Mr Michael Lingens, the chairman of the Bow Group, that the Government has become "cautious and defensive" and has "run out of steam", particularly

In an exchange of letters the Prime Minister stroogly defends the Government's record, although in another salvo last night Mr Ling ens urges new policy initiatives in the welfare system, the environ-ment and wider share ownership. In the oew Government Enter-prise Unit, Mr Young, until last month the chairman of the Manpower Services Commis give immediate attention to youth

to be dominated by the miners' strike. Some working miners who are members of the Association of employment.
"We are in a hurry because each year half a million young people leave school," Mr Young said yes-Conservative Trade Unionists are

> A team of ministers and senior officials from departments includ ing Educatioo and Science, Employment and Trade and Industry will be assembled under his chairmanship to review education and train ng policy.
> Outside expertise will also be

brought into all four policy inquir-ies - in the case of the training review, a chief education officer or college principal is likely to be invit ed to join the working group.

This announcement appears as a matter of record only.



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September, 1984

Gas industry drives for more bulk sales

BY MAURICE SAMUELSON AND DOMINIC LAWSON

BRITISH GAS Corporation is going on to the offensive to sell more gas to industry and commerce, finally signalling the end of a policy of res-traint dating back to the second oil

Although the last restrictions on accepting big new customers were quietly lifted a year ago, it is only now, with the promise of more gas coming ashore this winter and with UK energy demand reviving that it has decided to launch a strong national advertising and sales campaign aimed at bulk uters of energy

This sales drive is part of the coring sales over the next five years to thought likely that it could be devel-

British Gas says it hopes to supply 40 per cent of the commercial sector's fuel needs by 1990. At present it has 30 per cent of this market. compared with 34 per cent for oil, electricity 27 per cent and solid fuel

well off the Welsh coast next

Only a few wells have been of the control of UK oil and gas licently the Corporation held out with the Department of Energy by little hope for hydrocarbon discoveries in the area. But it has just Cardigan Bay area are on offer and completed a seismic survey of its in- substantial interest is expected to terests in Cardigan Bay, and iden- be shown by the international oil

First racially based

BRITAIN'S first racially based trade union – consisting solely of people from ethnic minorities – has been formed. This is thought to be

the first instance of the establish- both been granted such certificates

union is formed

BY PHILIP BASSETT, LABOUR CORRESPONDENT

ment of a trade union whose mem- after being listed.

en formed. This is thought to be

bership is defined by race rather

than occupation or skill.

The formation of the union, and

its official listing by the Govern-ment's Certification Office, is likely

to be seen as divisive and disruptive

by British trade unions, and espe-

cially by those in the sector in which it is organised - the Civil Ser-

ment employees is also likely to em-barress ministers, who have been

trying through a series of initiatives

to examine and if necessary im-

nority employees.

prove the position of its ethnic mi-

The new union which has only a

tiny membership at present is

called the National Association of

Ethnic Minority Civil Servants,

with its headquarters based in the racially mixed area of Peckham, in



20bn therms a year from last year's oped on a commercial basis. Apart from British Gas only Atlautic Richfield (Arco) of the U.S. has drilled in the Cardigan Bay area. In 1974, Arco found promising

shows of oil in its block a few miles to the south west of the well British Gas plans to drill. Subsequently, however, Arco was unable to estab-The corporation plans to drill a lish any flow of oil or gas.

The move by British Gas is significant in light of the forthcoming December 17. Four blocks in the tified a promising geological struc-ture in Block 107/16. industry. One oil company execu-tive has described prospects for oil offshore Wales as tantalising.

Neither union has yet been for-mally recognised by the Govern-ment for collective bargaining pur-

poses, partly because of the opposi-tion of the present Civil Service

brella body, the Council of Civil Ser-

vice Unions. That opposition is like-

ly to be extended to the new, racial-

The new union has been in con-

tact with the legal officers of the

Commission for Racial Equality.

The Commission said yesterday it

had assured leaders of the union

that its formation was in line with

Secton 28 of the Race Relations Act.

Mr Mohammad Pasha, its chair-

man, said that the union's ambition

was to represent separately all eth-nic minority staff in the Civil Ser-

vice, thought to number roughly

ly based union.

10:000

Mr Alan Burridge, the certifica-tion officer, stressed yesterday that the union had not yet been granted sive a call by coloured members

a certificate registering it as an in- that the party should establish

dependent trade union, which black sections that would ester for would require a much greater in the special needs of ethnic minori-

Murray & Roberts—from

a construction base into diversified activities

Bill Bramwell, chief executive of Murray & Roberts, speaks in this Interview with Richard Rolfe, London-based international editor of Finance Week of Johannesburg.

Relife: Are you primarily a construction group, or do you classify Murray & Roberts as an industrial

Bramwell: We started off in construction and moved into every construction field, including housing and industrialised building. Our second phase of development was into related activities such as quarries, underwater pipelines, merchandising, and eventually into mechanical and electrical engineering project management and design.

Round about the early 1970s we had diversified throughout the construction industry as well as geographically into other countries and decided to look at peripheral industrial activity with which we were comfortable. We then moved into heavy and light engineering, foundries and structural steel. Finally, we moved into the food area about 1977 and still wish to expand there.

There are obviously overlaps and grey areas but our core activity has always been construction and. construction io its pure form today is 40% of our our lotal earnings.

Rolfe: Is your diversification now complete?

Bramwell: The answer is, very quickly and easily, no. We will continue to grow organically and continue to look for acquisitions. Our areas of acquisioon will probably move more into high technology than into the aftermath of smokestack or heavy engineering industries and also we would be looking to expand our food interests.

Rolfe: What high technology areas do you favour?

Bramwell: Basically communications, but that is such a wide field that one has to get a little hit more specific. We have a company Westinghouse Bellambie owned by ourselves Murray & Roberts and Hawker Siddeley UK in which we have a cootrol shareholding which is io the railway signalling business. This has advanced down the high-tech road and today it is a very sophisticated technology, no longer just the guy pulling the handle. We are tending to lean through this into other high technology areas of process control because we are very heavily involved with process engineering, and instrumentation engineering, and do a great deal of that in the construction end of our business. So it's a logical move joto electronic control mechanisms, processes, transportation and signalling. That's the

direction we are louking to go. Security, of course, is an important element in our business and the card-type access security system is another area into which we are moving and have been for a while. So that's again an electronic system and a rapidly expanding area with the ose of various electronic gadgetry. You can sophisticate this security control much further than it has been 50 far in this

Rolfe: What do you expect your contribution from construction to be in 5-10 years' time?

Bramwelk: Let me answer it this way: over the years we have grown fairly rapidly, with attributable carnines up from R14,5m jo 1978 to R52m last year. Over that period, the contribution from construction hasn't varied materially. It declined over 1977 to 1979 and then picked up, and since then it's pretty well remained constant. So, in spite of the growth of the company, the percentage contribution from construction hasn't changed much. Not do I expect it will over a five-year time frame. On our projections, up to 1988, it's almost unchanged. There are variations year by year depending oo the cycle you're in but even this is marginal.

Rolfe: What is the split between public sector and private sector construction activity?

Brauwell: The public sector goes up and down much more dramatically. Private sector building constructioo in the miniog industry and io heavy iodustrial plants is surprisingly constant but the decline in activity comes from the fall-off in government spending, where they are inclined erratically and sometimes illogically, to just turn the tap off. Right now the civil engineering part of our business is going through somewhat difficult times particularly in the Transvaal and in the Care. There aren't many dams being built, railways being extended, or road

The public corporations and bodies like Escom and Iscor are not as erratic as the rest of the government sector, Escom is probably the best, they plan ahead 10 years and you know what's going to

When it comes to pure government spending, the pattern is very erratic.

Rolfe: Does your group have a particular interest in

Bramwell: In recent times, there has been a great deal of expenditure on Coloured low-cost housing in the Cape and on Indian low-cost housing in Natal. with very large cootracts covering up to .to 000 houses at a time. However, in the last 12-18 months, there have been fewer of these projects. On the other hand, they are starting again with both Coloured housing in the Cape, at a slower rate than the previous burst which lasted for ten years, and also Black housing in the Cape to some extent. Io Natal there is very little new Asian housing going on. As far as Black housing is concerned, there has

been a hiatus for the last four or five years. Basically, the government's policy seems to be to provide ground and infrastructure and to encourage either self-help schemes or core housing schemes where they huild one room with doors and windows designed so that you can expand it; or encourage the private sector to involve itself to housing, through property development type schemes. The conven-

tional matchbox type house that has been built over

many years probably today would cost R8 000-R9 000 and there is very little of that being built for

bably run from R18 000 op to R50 000 per house. This is the type of accommodation that companies would tend to provide or assist their employees to

That's an on-off situation and volumes are not large, though there are probably quite a few thousand of such houses to be built throughout the coun-

The problem is actually the gap between the self-help core-type housing and the middle Io upper income group housing. This gap is still going to have to be filled with government-financed lower cost schemes for sure.

trated much more positively on the sale of existing houses rather than in creating oew ones. They have been selling off to the Black market on 99-year leasehold schemes. The government has spent a lot of money on improving the infrastructure of existing towns with roads and street lighting and electricity, none of which was available in the past. So there are opportunities for contractors in that area, in the lofrastructure upgrade. We as a group have had some participation io these projects.

Rolle: On the isbour side, to what extent is your

Bramwell: The majority of our labour force is oot unionised, because they haven't joined unions, but where they wish to join unions we have no objections and we create no barriers. We have three companies with recognitioo agreements with unions and representation has passed a reasonable figure, over about 60% in three cases in particular. The main problem with unionisation in our group is that the construction side is optorious for labour mobility and so it is very difficult for the unions to recruit

We would go along quite comfortably with an industry union but the unions themselves have focussed on shootloors so that they look for a company and try and unionise that shopfloor. Extending that philosophy through to construction they see themselves as unionising contract sites. But when you unionise a cootract site, it is of a finite duratioo. In most countries in the construction industry they are unionised on an industry basis or on a craft basis but here the Black unions are focussing oot as general unions but on individual sites. But we crect oo barriers whatsoever to union access to our employees and to the unionisation of our activities because we see it as a logical and oatural development in the country as a whole.

Rolfe: Viewing Black advancement as a whole, what has been happening in your group?

Bramweil: If you ask me, have we achieved an adequate level of Black management, then the answer is no. We see Black advancement following effectively two routes and both of them tend to be relatively long term. First, is the traditional construction industry route whereby you apprentice a man, hring him through his trade, give him responsibility for his skill and subsequently give him authority over people, as a charge-hand, foreman, general foreman or supervisor. We have been on that route for a good number of years io the case of Asians and Coloureds and today these form quite a high proportion of our general foremen and supervisors. But we have only started walking that route with Blacks for the last four years and today we have 531 apprentices. So we are on the road and Black advancement has gone some way down that traditional route.

The second route with Blacks is through more for-

Murray & Roberts Limited

Douglas Roberts Centre, Skeen Boulevard PO Box 1000, Bedfordview 2008 Republic of South Africa Tel: national 011-53-9450, international 271153-9450 Telex 4-21560 SA. Telegrams: 'Murrob'



Mr Bill Bramwell

mal education and we have spent a lot of money on upgradiog education standards in schools. We make annual contributions to all of the Black universities and technikons in the form of cash. We have a Trust in one of the Black universities for post graduate

training for lecturers overseas and so on. We have not had any great success in obtaining graduates either from the Black universides or the Black hursary students whom we support as yet.

Rolle: Can you isolate any reason for that?

Bramwell: We are evaluating why we are not getting where we should be - it may be focus, it may be anathy or it may just be that the kind of people we are looking for are not available. But we are oot making the progress we should be making in my

In most areas of training we have been way ahead of the field, and I am oot being boastfol when I say that. We are a long way ahead with in-house training and in the support of Black universities. I think that if we haven't got anywhere with developing Black managers then I would be very surprised if anybody

Rolfe: You have expressed concern about the shortage of entrepreneurial capital in South Africa. Could you expand on this point?

Bramwell: Well, South African industry is failing into the hands of financial institutions which are oot creating busioesses or jobs or creating anything, but merely using their money to buy out the original entrepreneurs and then run the business, probably not as well as it was previously run. That is a tendency in this country which I think is

extremely unsatisfactory and in my view we will only resolve it when the authorities allow institutions to

They have a tremendous build-up of funds which they have to find a home for, lovariably they overpay for what they buy but they have got to place their money somewhere and only so much can go into the stock market.

Rolle: Marray & Roberts is one of the biggest Sooth African groups to retain independence. How

Bramwell: There is a trust shareholding. Murray & Roberts is held as to 47% by Anchusa and if you add directors' and management company shareholdings to Anchusa you end up with about \$4% of Murray & Roberts' shares which are tightly held. Then, in Anchusa in turn, some 53% of the lotal issued share capital is held by the Murray Trust. In addition to that, Murray & Roberts holds 25% of Anchusa.

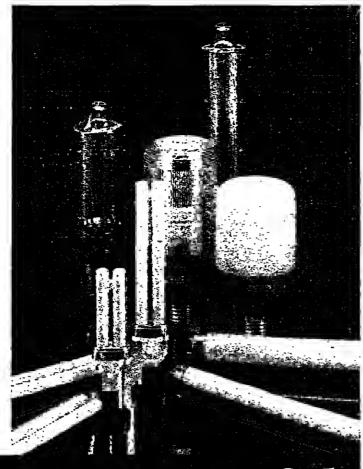
The Murray Trusts are uncomfortable in having their total trust investment in the future in Anchusa and through it into Murray & Roberts and they are looking to an arrangement to reduce their shareholding, out their control, but their shareholdings.

ENERGY REVIEW every Wednesday in the Financial Times

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PHILIPS

UK NEWS

PRESSURE ON BENN TO STAND IN LABOUR SHADOW CABINET ELECTION

New faces expected in the Kinnock team

BY PETER RIDDELL, POLITICAL EDITOR

CHANGE in the Labour Party's parliamentary leadership now look likely after next month's elections to the Shadow Cabinet.

Mr John Silkin, at present the main spokesman on disarmament, announced at the weekend that he did not intend to seek re-election while Mr Tony Benn, on the left of the party, who is now eligible after his return to the House of Commons last spring, is expected by his friends to stand for election. Mr Silkin's decision is no sur

prise to his fellow Labour MPs since he has not been involved on a day-to-day basis as a Opposition spokesman but has instead, frequently been absent overseas because of his work as president of Parliamentarians for World Order, an international disarmament cam-

Mr Benn has made no formal statement about his plans but both pool. his local party and close allies in the Campaign Group of hard-left proved to be more efficient than the MPs want, and expect, him to Left in concentrating its votes and



sion on the allocation of a portfolio. Otherwise, Mr Eric Heffer's posipaign. He is under considerable tion looks under threat. A number threat of failing to gain reselection by his local constitueocy party, although some MPs believe that he him last year, have been critical of him last year, have been critical of tion looks under threat. A number of fellow MPs, including some on may not stand at the next general his recent behaviour, especially of election. week's party conference in Black-

Last November, the Centre/Right MPs want, and expect, him to their in concentrating its votes and stand. His chances may be better thus in getting both Mr Barry Jones than when he was defeated in November 1981 and, if he is elected, may be under challenge from Mr Neil Kinnock, the party leader, Jeff Rooker and Mr Denzil Davies, would face an embarrassing deci-



Mr Eric Heffel

der will be Mr Donald Dewar, the party's Scottish spokesman. some of the conference decisions were highlighted at the weekend by comments from Mr Denis Healey, the Shadow Foreign Secretary. He described as "ridiculous" the confer-ence vote that the police should not

ence vote that the police should not be allowed to play any role in indus-trial disputes, although be did not think the decision would form part of a future policy statement. During a BBC Radio Leeds phone-in, he said the number of pickets in the mining dispute should be reduced. "It it wrong that a thousand pickets are needed to

stop one miner trying to go to work.

I think it is important that the unions should follow the Trades Union Congress guidelines that pickets should number no more than six and that they should op-erate simply by peaceful persua-

found it difficult to understand why the Labour national executive com mittee in one sentence said the Conservatives should be asked to keep Polaris and put it into the talks, but if Labour gets in we should get rid of it and not take part

During yesterday's London Weekend Television Weekend World programms Mr Robin Cook, the party's European spokesman, said Labour's proposals envisaged a process with a series of steps lead-ing into each other. He emphasised the priority of the cancellation of Trident and the removal of U.S. cruise missiles from Britain, together with a Nato declaration against the first use of nuclear weapons. Then, he said, U.S. nuclear bases

Then, no said, U.S. nuclear bases would go over a period of time by a process of negotiation.

Mr David Steel, the Liberal leader, commented in a television interview yesterday morning that "the Labour Party is an impossible instrument and unelectable as a Government."

Union votes against holding strike ballots

BY PHILIP BASSETT, LABOUR CORRESPONDENT BRITAINS fourth-largest trade many of its 780,000 members active

strikes - in direct defiance of the le- tions to the miners' strike. gal measure now in force, requiring Although some unions are reor Union Act 1984.

sections of the Act, which is expect- document on the issue, recon

seen as a moderate union, with we usually do."

Company Notices

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union, the National and Local Gov. Conservative supporters. This ernment Officers' Association (Nal- week, the union is holding a special go), has formally decided not to conference to decide whether to hold ballots of its members before halt all further financial contribu-

this under the Government's Trada ganising themselves in order to Union Act 1984. The unpublicised decision was Act, Nalgo's stance and its confi-carried at a special meeting of the dent arguments to support it will union's national executive council give heart to other unions unsure of last month called specifically to how far to push their opposition to onsider the issue. the legislation.

Meetings at the weekeod of ex- Nalgo's decisioo was taken with

ecutive sub-committees of the union only one vote against. The execuformally carried opposition to other tive endorsed a confidential Nalgo ed to be endorsed at the union's ing that the union maintain its next executive meeting oext mooth. "business as usual" policy. A union Nalgo's stance is likely to worry spokesman said this meant that the ministers, since it is traditionally union would continue to operate "as

Public Notices

UNICATIONS ACT 1984

EXHIBITIONS Current

October 14-16 National Franchise Exhibition

October 16-18 National Stamp Exhibition— STAMPEX (01-930 6465). Exhibition (01-891 5051)

Oclober 17-28

October 22-24
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101-930 7955)

HOTEL (01-230

November 1-5

International Exhibition of Office Equipment Furniture and Stationery — OFFICE (01-683 Bangkok

October 14-22 Stationery — OFFICE International Hotel and Catering (01-439 Rangkok Equipment Exhibition (01-439 November 11-15 Industrial Development Exhibition—SAUDI INDUSTRY (01-486 Riyadh

Electronic Engineering Exhibi-tion—ENEX ASIA (01-683 1158)

S91 2606) Vienaz
October 10-16
World Fair of Photography,
Photo, Cine, Video, Audiovision
—PHOTOKINA (01-930 7251)
Cologna
October 10-12
Hoog Kong Toy and Gift Fair
101-930 7955) Hong Kong
October 11-21
International Communications
Communications

October 29-21

Trade Fair for Clothing Textiles
—INTERSTOFF (01-734 0543)
Frankfurt
October 30-November 5
International Tourism, Hotel
Facilities & Construction
Materials Exhibition INTER
HOTEL (01-236 2399) Belging

Macfarlans Conferences: AD Surveys British creativity (01-

October 25-26

The Royal Institute of Inter-national Affairs: Commercial prospects in the Gulf (01-930 Chatham House SW1 October 12

marketing conference (01-680 7525) Royal Lancaster Hotel, W2

FT Conference: Electronic financial services (01-621 1355)

Barbican Cenire
October 22-23

Frost and Sullivan: Motivating Royal Lancaster Hotel, W1

Frost and Sullivan: Motiveting and managing computer personnel (01-486 0334)
Holiday Inn Hotel, Lendon

Hoyal Lancaster Hotel, November 14
Business Briefings: Manufacturing ahrnad (01-381 1284)
CFS Conference Centre, W1

Anyone wishing to oftend any of the above events is advised to telephone the organisers to ensure that there has been no change in the details published.

Libreville Water Supply INTERNATIONAL

> An expression of interest is invited from suitably qualified companies for the development and operation of such a hotel.

Mr. D. P. Stanley, Director of Development and Planning, Manchester International Airport Authority,

MANCHESTER INTERNATIONAL AIRPORT

REPUBLIQUE ALGERIENNE DEMOCRATIQUE

MINISTERE OF L'ENERGIE ET OES INDUSTRIES CHINIQUES ET PETROCHINIQUES (Miniatry for Energy and Chamical and Patrochemical Industries)

NOTICE OF IATIONAL AND INTERNATIONAL CALL FOR TENDERS

Lot No S: Injection pump test benehos Lot No 6: Hydraulic wrsck and screw type jacks, presses Lot No 7: Woodworking machines

Monopoly on Foreign Trade. Tenderers interested in this Call for Tenders may obtain the specifications from the

Entreprise Nationale dea Trauvaux Aux Puits

ALGERIE (ALGERIA)

 $\omega \in$

Direction des Approvizionnements (Department for Supplies) with effect from the date on which this notice is published.

Offers, of which five (05) copies should be prepared, must be sent in a double sealed envelope, by registered mail, to the Secrétriat de la Direction at the above-mentioned

HOTEL DEVELOPMENT IS PROPOSED AT MANCHESTER INTERNATIONAL AIRPORT

Outline Planning permission is being sought for a hotel in a prime location linked to the main terminal building at Manchester International Airport

Please write in the first instance to

Marichester M22 SPA

TENDERS ET POPULAIRE **APPEARS**

ENTREPRISE NATIONALE OES TRAVAUX AUX PUITS

NUMBER: 0960/A1/OIV. The National Oil Exploitation Company is launching a National and International Call for Tenders for the supply of the following:

Lot No 1: Hand tools
Lot No 2: Motor winding shop equipment
Lot No 3: Holats
Lot No 4: Welding aets and battery chargers

This Call for Tenders is intended for Manufacturing Companies only and excludes amaigamations, representatives of companies and any other intermediaries etc. in conformity with the provisions of the Law No 78-02 of 11 February 1978, with respect of State

Base les Vergers ALGER (ALGIERS)

The outer envelope should not bear any mark that might identify the tenderer and

"APPEL D'OFFRES NATIONAL ET INTERNATIONAL NUMERO: 0960 Al/DIV - Confidential - A ne pas ouvrir" (Confidential - Do Not Open). Tenders must be received by 12 noon on Saturday 22 December 1984 at the latest. Selection will be made within 180 days from the closing-date of thia Call for Tenders.

CONTRACTS AND **ADVERTISING EVERY MONDAY** THE RATE IS £33.00 PER SINGLE COLUMN

Company Notices NOTICE IS HEREBY GIVEN that the tollowing resolution will be emposed as an ordinary resolution will be emposed as an ordinary resolution at the emmal of the emma

Legal Notices

CHAR COOL PRODUCTS LIMITED NOTICE IS MIRREY TO PROBLET BY A STATE OF SECTION 293 of the Companies Act 1948 that a Meeting of the crimitors of that a Meeting of the crimitors of the property Limitors, will be held at Concaught Doems Great Queen Strest. London WC2 on Frow, the Zebb oav of October 1984 at 245 october in the attendent, for the purposes orivided for in Sections 293, 294, and 294 of the said Act.

Dated the 7th day of September 1984, and 294 of the said Act.

Dated the 7th day of September 1984, S. SKINNER, Oirector Winness:

CENTIMETRE

HILL SAMUEL & CO. LIMITED, 45 Beech Street, London ECZD 2LX.

BANQUE INTERNATIONALE POUR L'AFRIQUE OCCIDENTALE US\$30,000.000 Floating Rate Notes 1982/1988

The rate of Interest applicable to Art Galleries determined by the reference agont is 12 per cont por annum, namely US\$60.67 per note of US\$1.000. LEFEVRE GALLERY, 30. Brutop St. WI. 01-203 1572. PAINTINGS. WAYED-COCOUDS ANO ODAWINGS BY NIGEL WAYMOUTH. 5th October-3-6 November. Mon.-Fri. 10-5. Sats. 10-12-30.

FINANCIAL TIMES REPORTER DR GARRET FITZGERALD, the got that far, they could not make real progress in negotiations. In a radio interview after the con-Irish Prime Minister, is optimistic

FitzGerald optimistic

that the British and Irish governments together can make progress in solving Northern Ireland's prob-

ference, he effectively withdrew last week's protest by the Irish Goverament over remarks by Mr Doug-las Hurd, the Northern Ireland Sec-retary. Dublin had objected to a annual conference, Dr FitzGerald passage in a speech Mr Hurd gave said the two governments, for the to police recruits, but Mr FitzGerald first time in 80 years, shared common analysis of the problem and it hasty and the remark had been tak-would be disappointing if, having en out of context.

London Business Equipment Show (01-647 1001) Earls Court

Royal Horticultural Halls

October 26-November 3 International Bike Show (01-385

October 23-26

BUSINESSMAN'S DIARY

UK TRADE FAIRS AND

Building and Home Improve-ment Exhibition — LONDON BUILDING (01-486 1951) (unlii October 11) Earls Court BUILDING (VA-October 11) Earls Court October 13-16 British Designer Show (01-385 Olympia

November 5-8

5th Offshare Inspection, Repair and Maintenance Conference and 6th AODC Underwater Engineering Symposium (01-549)

5831). Aberdeen November 7-11 (01-602 7861) Kenslagton Exhibition Centre

Brighton November 11-15

October 22-24
International Contract Textiles Exhibition (Ottober 22-24
International Exhibition of NEC, Birmingham

October 22-24
International Exhibition of NEC, Birmingham

Necessity 11-15
International Domestic and Contract Textiles Exhibition (Ottober 22-24
International Exhibition of NEC, Birmingham

TELECOMMSUNIVERATIONS ACT 1986
TELECOMMSUNIVERATIONS ACT 1986
On 3 August, the Secretary of State for Irade and Industry pealing on number of Irade and Industry pealing on number of Inconces, under section 7 of the Telecommunications Act 1986 ("the Act") officerwise than to e particular person research research and the secondaries of the pealing of the Irade of the Irade of Irad Orlober 9-13
International Machine Tool
International Machine Tool
Trade Fair—INTERTOOL (01Vienna October 29-21

BUSINESS CONFERENCES

October 11

October 29-30
Business Research International:
The London international Trenton Presentations: Direct corporate finance conference marketing conference (01-680 1984 (01-637 4383) Royal Lancaster Hotel, W2 October 15-16
FT Conference: Unit Trusts—A major force in international investment (01-621 1355)
Royal Lancaster Hotel, W1
October 15-19

Royal Garden Hotel, W8
October 29-31
Conference Services: Convention of the Burean International de la Récupération (01-684 4228)
Grosvenor House Hotel, W1
October 38 Investment (01-621 1355)

Royal Lancaster Hotel, W1

October 15-19

Lloyd's of London Press: Air carriage haw and claims bandling (01-247 9461)

Royal Horseguards Hotel, SW1

October 18

Japan Trade Centre: Factory automation and industrial cooperation (01-486 6761)

Royal National Hotel, WC1

October 18-19

FT Conference: Management

Glaziers Hall, SE1

November 5 October 18-19

FT Conference: Management Strategy for the Financial Simon & Coates: Seminar on Services Revolution (01-621 1355)
Inter-Continental Hotel, London perts for 1985 (01-588 3544).

Barblean, EC2

Department of Trade and Industry noer 1984.

The Monopoles and Mergers Commission have been overered to imesticate the property activities: their report will cover the acquisition, management, development and disposal of laed (and of the belighings on and airspace pier land) ber will not be concerned with evoperties writing of British Rad or of its sub-diameted of British Rad or of its sub-diameted of British Rad or of the sub-diameted of British Rad or of the sub-diameted and other working of the sub-diameted to write to the Sectoriary of the Commission, from whom further information and a copy of the reference may be obtained this address is.

The Minopolities on Mergers Commission hew Court.

New Court. 46 Carey Street London WCZA 2JT

BCal likely to revise bids for air routes

BY MICHAEL DONNE, AEROSPACE CORRESPONDE

(BCal) Britain's largest indepen ples, Oporto and Valencia. dent air carrier, intends to move At the same time, BCal quickly to implement the Govern- bids for other flA routes, including routes) as a stepping stone to other ment's decisions for reshaping the Athens, Rome, Düsseldorf, Copen-

One of its first steps will be to review the applications it has already Kuala Lumpur.

Made to the Civil Aviation Authori
It planned to fly them from Gatty (CAA) to take over some of Brit-ish Airways' (BA) routes, to see if in competition with BA, flying from they can now be turned into hids for Heathrow, London, under the dual dual designation - the right to fly designation principle.
on them in competition with BA. BCars task is now to sort out on them in competition with BA.

Last Friday's White Paper (policy which routes it intends to seek. It document) on Competition in Civil cannot now take over BA's routes Aviation strongly endorsed the from Gatwick to Spain and Portu-principle of dual designation, while gal, but there is nothing to stop it rejecting any direct transfer to the from revising its bids for those independent airlines of BA's Euro-

CAA in its own report reviewing designation, in the light of the Gov-civil aviation policy, recommended such transfers, BCal was quick to apply for the Gatwick routes. bids for dual designation to such

itic

2.0

hagen, Oslo, Stockholm, Muscat, Abu Dhahi, Dubai, Singapore and

routes to include them under dual

It may also pursue, if it wishes, regional airports. It may also pursue, if it wishes, Earlier in the summer, when the . all of its other licence hids for dual

Those included BA's services to other long haul destinations as Del-Bilbao, Barcelona, Bologna, Gibral- hi, Shanghai and Peking. It is also dent operators can implement.

BRITISH CALEDONIAN Airways tar, Lisbon, Madrid; Malaga, Nathinking of using the Saudi Arabian network it is being given (in return At the same time, BCal put in for giving up its Latin American South-East Asian, Australasian and Far East destinations.

> However, while BCal's long-term ambition under dual designation are boundless, the big difficulty is how far foreign governments will be prepared to go in accepting addi-tional UK airlines on international routes traditionally limited to only one UK operator and one foreign

Many governments have in the past strongly opposed relaxing that rule, fearing a loss of traffic to their own national airlines, and many at-tempts by the UK to get them to change their minds have failed.

It will be up to the Government to is the essential fourth arm of destep up its own negotiating presfence in war. sure on foreign governments in an "The current decline is fast approaching the point where the adequacy of the fleet for defence dual designation into effective route rights that RCal and other indepenpurposes is doubtful in terms of ships and will soon become so in

> The UK merchant fleet - now just under 20m deadweight tons against the 1975 peak of 50m dwt - also contributed to the balance of payments, helped ensure cargo space for those trading in and out of the country, and gave some control over freight rates. The conclusions of the report, entitled Britain does need a merchant shipping industry, were drawn up after a conference on the industry held by the league

terms of experienced men."

Threat to

from fleet

security'

decline

By Andrew Fisher.

Shipping Correspondent

BRITAIN's economy and defence

security are in danger of being seriously weakened by the rapid

decline in the country's mer-chant fleet, the British Maritime

League has said in a special re-

It has called on Mrs Margaret Thatcher, the Prime Minister and the Government to make a

firm declaration that transport was important to the UK and that shipping was vital.

The league, a pressure group with members drawn from mari-time and other industries, as well as politics, said a merchant fleet

They included a recommendation that the Government "should do more to co-ordinate policies in various transport sec-

and the protectionism in many

should be set up, possibly within the National Economic Office, to bring together all parties con-Such a forum should analyse

the fleet's decline, review the fiscal climate - the industry has accused the Government of being among the least supportive for shipping of any in the world -and study whether free trade

ly successful one. All the remaining businesses were sold and all but Stone International was the largest of them, and has recovered re-

markably since its assets were

receivers in March 1982.

bought by some of its former man-agers with institutional support for just under £15m. In the 17 months to May, 1982, it had an operating profit of £2.9m on sales of £84.4m. In the year to May, 1984, profits were £7.4m on sales of £72.6m. The stock market flotation valued Stone at £38m, more than double the price paid to the receiver.

for the assets.

The key to the recovery, according to Robin Tavener, the chief executive, was simply a restoration of hands-on management. When the Stone-Platt crisis began, he was moved from his position as chairman of what was then called the electrical division to become group

chief executive. Inevitably, the textile machinery division's difficulties absorbed nearly all his time. The electrical divisioo lost its way at a crucial time. It had just made two large U.S. acquisitions and strong management was needed to integrate them in the division. Without it, performance

Things were so bad that none of

Ian Rodger examines the aftermath of receivership

Stone International's rise from the ruins

the most controversial industrial bankruptcies in recent years.

Stone, which is the dominant maker in the world of air-conditioning equipment for railway and metro carriages, was one of the main subsidiaries of Stone-Platt Industries, which collapsed in the spring of 1982. A lively debate followed the collapse on whether receivership was the right move, considering that almost all the group's busiesses had survived.

Until 1980, Stone-Platt was a significant manufacturer of textile machinery, pumps, marine propellers and the specialised airconditioning equipment with turnover in 1979 of £211.5m and 13,000 employees. However, its stability was threatened by the collapse of demand in the late 1970s for textile machinery, its chief product. Unfortunately, at the time, the group's top management was in some disar-ray and so did not deal with the is-

sue as quickly as needed. In mid-1980, new management led by Mr Leslie Pincott, was brought in to try to resolve the group's difficulties. The successful pumps and marine propeller busi-nesses were sold for a total of £16.5m and, in 1981, the group's banks and some investing institu-tions backed a £10m capital restructuring programme.

However, the losses in the textile equipment division remained very nigh, and soon the group found itself with inadequate resources to fi-nance the massive rationalisation

ternational on the London stock duction of employment in textile ested in participating in the manStone International to the stock market was a reminder of one of machinery from 3,000 to 300. More agement buyout, "Mr Tavener says." disposals and another financial re-

structuring were proposed, but the he could go back and put the electri- which was sold to Columbia Indusbanks, led by the Midland, were not cal division right, and he has done tries of the U.S. It was closed last impressed and decided to call in the so. He has replaced the chief execu-tives of all three U.S. subsidiaries business did not come in. The receivership was an extreme- and several other key managers.

As for the other former Stone-Stone-Platt when the group col-Platt divisions, they too have done surprisingly well.

machines for making textiles out of time, the directors had reached natural fibres, was sold by the re-ceiver to Hollingsworth of Wheels of the U.S. for an estimated £12.5m, two small disposals and a "modest and the factories in Lancashire, the rights issue" would have enabled U.S. and Spain are still operating. the group to return to a reasonable

competitor, for an undisclosed sum. The Oldham plant was closed and production concentrated on Langley, Macclesfield.

its recovery plan, but not under receivership as practised in the UK.

Mr Bill Mackey of Ernst and

cent took it. Recent recruitment has posed sale of Platt Saco was condicompared with the 700 employed at creditors and financing heavy re-

been managing Scragg with full au-tonomy since the purchase, says he is "looking at a very nice order were then preparing their annual

ing machinery maker, was acquired erate for another year. from the receiver by its managers with help from the English Associa-sequent success of the subsidiaries. tioo Trust. Mr Trevor Hick, manag- What people should ask is whether ing director, says the group now or not Stone-Platt could have suremploys 135 people compared with vived. No more would have come 180 two years ago. out under Chap
There is a "distinct possibility," the receivership.

He was however, confident that foundry at Bury, near Manchester,

Mr Pincott, the chief executive of Platt Saco Lowell, which makes occessary. He says that, at the

Ernest Scragg, which makes tex-tile machines which use artificial fi-bres, was sold to Rieter, a Swiss ruptcy laws, Stone-Platt would have been given the time to implement

Transfer opportunities were of Whinney dismisses those argu-fered to all Oldham staff and 70 per ments. He points out that the prolifted staff numbers from 320 to 340, tional on Stone-Platt's retaining the the time of the receivership.

Mr Geoffrey Bucklow, who has

dundancies, something the group

could not afford to do. "So they had

ook." report on the group and had to form a view about whether it could op-

He dismisses criticism of the subout under Chapter 11 than out of

Ford drops from top of heavy commercial vehicle league

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

place in the heavy commercial vehi- same month last year, while Leycle (more than 3 tonnes gross land's rose from 561 to 632 and weight) sales league in September, those of Bedford from 482 to 577, falling behind Leyland, BL's subsid-Bedford now has its now incentive iary, and General Motors Bedford

Ford is still feeling the effects of its incentive campaign, which of-fered dealers up to £1,500 a vehicle in extra bonuses if they achieved set targets by the end of June. The scheme caused sales to tise but since June Ford's registrations

In September its registrations to commercial vehicle sales were up year before

FORD dropped from first to third talled 566, down from 713 in the by 9.3 per cent from 36,958 to 40,402. That more than accounted for the rise in the overall commercial vehithose of Bedford from 482 to 577. cle market by 1.9 per cent to Bedford now has its now incentive 210,502, according to the Society of Motor Manufacturers and Traders.

It remains difficult to judge the underlying strength of the heavy commercials market in view of the months of 1983 at 19,935. The imdistortions brought about by the Porters' market share in September Ford incentives. Last month, regisfell from 39.5 per cent to 37.4 per trations were virtually the same as cent but over the nine months rose September last year, 4,067 against from 34.4 per cent to 35.8 per cent. In the first nine months, heavy were 6,141 compared with 6,117 a

Harland Simon in French venture

BY LYMTON MCI AIN

land Simon and two-thirds by Jeu- electrical drives for the printing, the French and European mont-Schneider, one of the largest rubber, paper, plastics, board and for Harland Simon

HARLAND SIMON, the UK electri- industrial groups in France, with a other light industries. Jeumont

Schneider has traditionally pro-

UK promotion plan pledged more funds

BY ANTHONY MORETON

eas companies to set up operations

The money, which had to be put into next year's budget despite considerable opposition from the Treasury, will be complemented by capial from the private sector.

Launching the campaign in London Mr Norman Lamont, Minister of State at the Department of Trade and Industry, said industry was about to be approached to support the programme, which will be run by the Invest in Britain Bureau

BRITAIN is to put a further Elm in- ordinate Britain's overseas promoto a campaign to attract more over- tion and attract inward investment, will work in conjunction with Locate in Scotland, Winvest (Wales Investment Location) and the Industrial Development Board for Northern Ireland as well as English regional development organisations.

The bureau has appointed Valin Polleo to handle the campaign, which will be concentrated heavily on the U.S. and Japan as well as some European countries such as

West Germany.

Details of the campaign will not be announced for about a month,

ness entrants to the UK, mail shots companies which have invested and advertising programmes will here but on those which know the comprise the main thrust.

£800,000 - is not a large sum for isting companies which want to inthat sort of promotion. Only this vest in Europe." in the U.S. alone.

been a better time to invest in Brit-ain and there has oever been a bet-rived in Britain, a record since the ter time to send out the message to IBB was set up in 1977. They had the international business world created over 15,000 new jobs and that Britain means business.

UK, particularly banks and finan-The Elm allocated - which is in cial intitutions in the U.S. The main addition to IBB's existing budget of thrust, though, will be towards ex-

week Benetton, the Italian clothing Britain had an "unrivalled oppor-company, announced that it was tunity" over the next two years, he ng £1.7m in the coming year thought, to increase the flow of successful inward investment projects.

Mr Lamoot said there had "never Last year 236 projects of which 57 safeguarded more than 18,000 oth-

cal drives company, has formed a turnover of about £860m. Schneider has traditionally projoint company with Jeumont. The formation of the company duced larger electrical drives really existed in shipping mar-Schneider, the French industrial brings together the expertise of among other products, for the corporation, to market electrical Harland Simon in industrial electric chemical and process industries. drive systems covering the whole of coal, drives for small and medium-the industrial electrical and process industries. but it is expected that seminars bringing together potential busi-"We shall be targeting not just on ers." The bureau which exists to co--In a separate study of the reascale applications and the work of The new company will market the industrial spectrum. the league has given to the Gov-The new company, called Jeu-mont-Schneider Industrial Sys heavier industrial plant. Jeumont-Schneider in drives for the drive systems of both the ernment, it referred to the large French and UK parent companies tems, is owned one-third by Har- Harland Simon has specialised in in the UK and will give access to nations, notably in the Far East,

British Telecommunications plc announces the following changes to telephone charges. These are the first changes for main telephone services (other than international calls) since November 1983. Overall, the changes on exchange line rentals and on local and national (formerly known as trunk) calls are within the limit set by the BT Licence.

FROM NOVEMBER 1st 1984. Exchange line and standard telephone rental.

Residential.

Exclusive rental increased by £1.00 to £15.15 per guarter. Shared rental increased by 95p to £14.10 per quarter.

Rebate on rental for low use residential lines increased from 3.0p to 3.2p per unused unit below 120 call units per quarter.

Business.

Exclusive rental increased by £1.50 to £23.50 per quarter. Shared rental increased by £1.45 to £22.45 per quarter.

FROM NOVEMBER 5th 1984.

Charges for calls from ordinary lines.

Call unit charge increased by 0.3p to 4.7p.

20-25% more time for peak and standard rate national (formerly trunk) calls over 56 kms will make these calls cheaper on average.

Charges for calls from payphones.

The minimum charge for all calls from payphones will be increased to 10p, but more time will be allowed for this minimum charge on most national (formerly trunk) and international calls.

Other items.

Changes are being made to charges for national (formerly trunk) and local operator controlled calls, and to charges for some telephone instruments, extensions, and apparatus.

Quoted charges, except those for payphones, are exclusive of VAT.

ADDITIONAL INFORMATION.

Details of all changes will be notified to customers with their quarterly bill in November, December or January. For further information about these changes please dial 100 during normal office hours and ask for Freefone 2500, or for Freefone BTI for enquiries about international services.



British Telecommunications plc Registered Office 81 Newgate Street London EC1A 7AJ



TECHNOLOGY

EDITED BY ALAN CANE

PRODUCTIVITY TOOLS IN THE COMPUTER INDUSTRY

Better software by numbers

FUNCTIONAL

SPECIFICATION

FUNCTIONAL

TO SOBER data processing pro-fessionals, Larry Putnam must come over as the reincarnation of a quack doctor from a travel ting medicine show.

Not personally, mind, for he

is a model of quiet integrity but what he is promising must seem to them about a credibte as the claims the bucksters made for their large bottles of patent

medicine.
Indeed, if it were not for commendations from a number of prestigious organisations inctuding the UK Ministry of Defence and Marcont Radar Systems, many people would find it hard to take Mr Putnam's claims seriously.

He is used to the incredulity; now he has the data to back up

Mr Putnam is a software engineer, a specialist in ways of creating better software more productively. What he is offering is something most software to the control of the control o ware people belleve is impossible; a way of measuring and predicting software productivity. A way, in fact, of putting sensible engineering numbers to a process which is still regarded as a black art. His software tool, SLIM, is used to predict the cost of software projects and their likety delivery dates.

The stuff of dreams, the experts might say, aware of research results showing that in the UK two-thirds of all soft-ware projects over run their budget and more than hatf take longer to complete than

stark relief by Dr John Taytor, a Ministry of Defence scientist

card-operated self-service ticket-

Ing machine, now has over 100 units installed at U.S. airports and says it is about to sign

contracts with two unnamed

The production model, NCR 1810, does everything that an ordinary booking terminal in

European airlines.

would rise between 1,000 and 10,000 times: "The value and cost of ownership of this soft-ware and database will go up by very much more, particularly as the people involved in produc-ing and maintaining all this get more scarce and expensive."

SYSTEMS

That is why software engineering has been identified as one of the key "enabling technologies and why compantes are setting up special software engineering units to tackle the problem of the management of software production. software production.

Software engineering tools are of many kinds, from simple screen editors to elaborate com-puter based management systems.

Mr Putnam'a method origi-nated in observations he made back in 1974 wblle an advisor The problem was placed in on software budgets to the ark relief by Dr John Taytor. Department of Defence in the

NCR, WHICH two years ago or International Standards appropriate, are delivered from

connected over phone lines to

the airline's central reservation

system. In addition, positive credit checking can be per-formed on line with the card

company's computer, and the holder's account debited.

The user inserts his card and

announced prototypes of a Organisation format, and Is slots.

NCR launches card operated ticket machines

management effectively manage software projects. First by rule of thumb, then y careful analysis of bundreds

of real software projects, Mr Putnam developed a set of equations to describe any kind of software development. The key was the similarity between the staffing profile common to all software projects and pro-fites devetoped by Peter Norden of IBM for teams of engineers developing bardware.

Mr Putnam's equations apply

DESIGN

to projects where teams of three or more people are involved in developments which last at least six months. Now he has packaged the whole system so it can be run on a personal com-The analysis gives engineer-

ing explanations of some phenomena in software development that have been known empirically for a long time. For example, Mr Putnam's equations can be used to exptain why at a conference earlier this year.

He noted that people could can be used to exptain why adding more people to a soft-decade the amount of software ware development. Without ware team on a project which decade the amount of software ware development. Without ware team on a project which deployed in battle systems numbers, it was impossible for is already over time does not

No personal identification

number is used—it is supposed that fraudulent acquisition of travel tickets will not be

Mr Al Booth, NCR's U.S.

criminally attractive.

slows it down. And it explains why it is disastrous to attempt to com-plete a piece of software in tess than a specific time.

The Software Life Cycle

DEVELOPMENT AND MAINTENANCE

Mr Putnam's acronym SLIM stands for Software Life Cycle Management model and it is now used extensively by the U.S. Defence Department. According to Mr Jim Green of the UK consultancy PACTEL which is sponsoring SLIM to this country. The research this country: "The reasons given by the DoD for adopting SLIM relate to its need to equip procurement staff with effective management decision aids . . . it states that its chief reason is the ability to save large amounts of money that

SLIM provides." Mr Putnam promises large savings in time and money. According to Mr Frank Zacberl vice president responsible for information systems at GTE Data Services of Tampa, Florida, nothing in software development is done without using SLIM,

Mr Booth is convinced that

applications will be extended.

Since the machine is essentially

one which accepts a card,

makes checks, offers choices.

debits accounts and issues

documents, he sees no reason why a traveller should not use

U.S. AIRLINES SIGN UP FOR SELF SERVICE FLIGHT BOOKING

based director for these the machine to check into and systems, says that one American airline deploying the 1810 same time the 1810 would be increased its market share at a particular airport by 1,000 further flying, car rental or pasengers a month. He claims that republic accordance of the arrangements for him.

MID GLAMORGAN'S INDUSTRIAL REGISTER ON VIEWDATA

Practical information on INDIS

tNDIS, a computerised indus-trial information system various EEC business informa-launched by Mid Glamorgan uon services. and only one company in three in the county was buying its goods County Council six years ago, Is in the process of embracing the telecommunications revolution.

Its unique Register of Industrial capacity, designed to attract more business to com-panies in south and west Wales setting out their capabilities and current capacity to take on orders, has just been adapted for dissemination via Viewdata systems. The scene has also been set for Indis subscribers to update information about their own companies on the database via their own Viewdata terminal, and for the whole system to be plugged into the Prestel network.

The Capacity Register Indenticesses, services or components manufacturing capabilities of local companies wishing to publicise that they have spara operating capacity. Participants pay £40 a year to be on the register.

Up till now the main means of dissemination has been in the form of a booklet, printed out quarterty from the computer, which has been sent to some 6,000 manufacturing com-

But by adapting the register

The upshot was that the for dissemination via Viewdata county council enlisted the supsystems, Indis hopes in proctice to reach an even bigger audi-

ence for its service, either directly or via Prestel. Pre-liminary discussions bave atrendy opened with the Prestel authorities with the aim of pro-viding what would be a wholly new service for its 600,000 The Vlewdata system has also

been so designed that participat-lng companies can subscribe to up to 26 additional "pages" to provide further information which they think could be useful in winning additional custom; for example, price quotations, more detailed tech-nical specifications and even advertisements with response For the time being, Indis staff will continue to toad in-

formation onto the database. But it is eventually planned that subscribing companies will be able to access their own pages and change or update their own information via their

Indis began as an inltlative by Mid Glamorgan to strengthen

and services locally.

The upshot was that the 01-346 7133 0277-354141

port of the Manpower Services Commission, the Welsh Development Agency and the Poly-technic of Wales to build up a computerised business infor-mation system of practical day-to-day use to the business community.

Besides the Capacity Register, Indis olso produces a regular Guides to Incentives and Services, a Product Register, aod a Register of Product

Mr Peter Davies, India' man-ager, reckons that some 10 per cent more business is now being generated localty thanks to the information base Indis bas created for encouraging a switch in local industrial purchases to local suppliers.

Another measure of Indis'

success is that three more Welsh counties — South and West Glamorgan, and Dyfed — bove decided to participate. The database is now in the process of balng expanded to take in the businesses within their county boundaries. There has also been a recent suggestion that the Welsh Development Agency should explore the possibility of financing Indis' expansion to cover the whole of Wates, again as an economy-strengthening

"100 years in quality building"



Semiconductors.

Evaluating designs

SEMICONDUCTOR especially those of novel design, bave to be evaluated before they can be designed into new circuits.

Harris Microwave Semiconductor has, therefore, introduced two designer evaluation kits for the highspeed gallinm arsenide inte-grated circuits now on the

market.
One is for use with 32-pin medium-scale products, the other a 16-pin tester for use with small-scale integration

The kits provide all the hardware and printed circuit hoard connections to demonstrate working gigahertz systems. Priced at 2359 and 5235 respectively the bits are £325 respectively the kits are expected to be most useful to designers working on tele-communications, fibre optics. lestrumentation, high-spred computers and military systems. More on 0724 636787.

GRIFFITHS LABORATORIES SPEND £1m ON OVEL PROCESS Computers

Thinking systems

TEXAS Instruments, the major U.S. electronics mannfacturer, is launching a computer to build "thinking"

Called "Explorer system," and priced at \$52,000 npwards, the computer is derived from technology liceused from Lisp Machine Corporation and the Massachusetts Institute of Technology.
It will be an advanced

symbolic computer for the development and delivery of applications based on artificial intelligence.
Explorer uses the LISP programming language and in-cindes a high performance processor optimised for sym-

bolic processing.

Deliveries are planned to start in April 1985.

wales and along the M4/M5 the county's industrial base, by corridor, but the Capacity Register also goes to international companies based in neighbouring Ireland, the top state of the county's industrial base, by promoting a greater degree of tocal economic integration. It emerged during preparation of an industrial directory for the county in the mid-1970s that

Secret recipe for breadcrumbs

BRITONS consume 20,000 dian company which is one of the world's largest breadcrumb makers, is spending £1m on a factory to manufacture a new kind of breadcrumb in the UK.

The factory in Somercotes in Derbyshire, ready by the middle of next year, will make a Japanese-type breadcrumb which has become very successful in the U.S. Food manufacturers, faced with a static food market, have been seeking ways a Japanese process produced an attractive coating. Not only did

Food companies found that tially cooked crumb. Tha techtonnes of breadcrumbs a year, the coating was ideal for nique combines the baking and Griffiths Laboratories, a Cana- poultry, either chilled or frozen, staling (where the yeast is preso opening up a new market for breadcrumb makers.

The problem with the manufacturing process was that It tok 15 hours and nine separate stages to create a batch of hreadcrumbs. The quality of the result could not be guaranteed because the process was subject to variations in the yeast and various process temperatures.

Griffiths Laboratories' Panko and the breadcrumbs are pro-duced on a continuous basis ordinary booking terminal in an airline office can do, but the procedures have been simplified for operation by the general public.

The machine will accept any magneticalty encoded card to American Banking Association

The user inserts his card and systems, says that one American editional systems, says that one American book of the hotel itself. At the attractive coating. Not only did duced on a continuous basis have risen to 5,00 otonnes a systems, says that one American editional systems, says that one edition

vented from further growth) stages in a continuous flow of dough through the factory. Mr Whittle waxes lyrical or

the ontcome of this process saying that the crumb has "a deli-cote, splinter-like structure, making it crisper and lighter. Its splinters consists of a honeycomb of baked bread dough and air, the boneycomb retain-ing oil after the flash frying

The \$200m turnover company of making their food products process cuts the time down to introduced U.S. made. brea i-more appealing and found that only 90 minutes with five stages crumbs using its process four

Make sure you've got an electronic

Make sure you've got

someone to fuss over you.

(Only an airline with one

every ten passengers

cabin attendant for

headset and a pair of comfort socks.

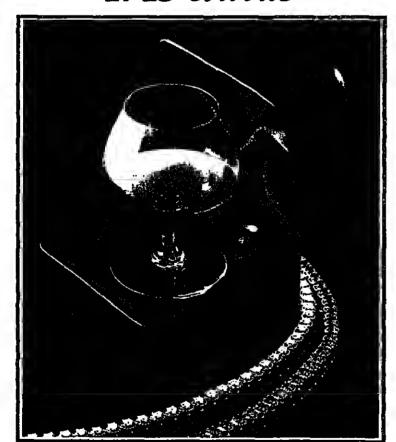
you've

got that)

got an airline whose route network can take you to 40 different destinations

And make sure you've

1715 carats



Cordon Bleu by Martell



Before you take off on business, make sure you've got everything.

Make sure you've got express checkin, a luggage allowance of 30 kilos and

special lounge facilities. Make sure you've got a seat where you want to sit. (Upstairs if you don't smoke, downstairs if you do.).

And while you're selecting your seat, make sure you've got the widest Business Class seat in the air.

Make sure it's got a generous recline and you've got the comfort of extra leg



sure you've got a choice of menus, the food is

served on elegant china with fine cutlery and table linen.

Make sure you've got French wine and champagne from Moet and Chandon. (Don't forget the cheese board and fruit basket.)

Make sure you've got a comprehensive selection of business reading material.

In short, before you take off on business, make sure you've got a ticket flying Royal Executive Class

on Thai.

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When Olivetti came to develop a new range of business computers they had one very special advantage over other manufacturers.

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of public law as one of the most notable developments in the English legal system during the 1970s and 1980s. An outstanding example of this recent tendancy occurred at the heginning of this month when Mr Justice Mann delivered a reserved judgment in Burgoin SA and Others v Ministry of Agriculture, Fisheries and Food. Thornton Baker In his judgement he made rulings on a preliminary issua runings on a pre-initially issue arising in litigation between various French companies on the one side and the ministry on the other which resulted from a ministerial decision al-Thornton Baker

legedly harming those com-Thornton Baker Thornton Baker

panies.
On September 1, 1981, the ministry revoked a general licence euthorising the importation into the United Kingdom of French turkeys and turkey parts. A decision of the European Court of Justice in Lax-embourg invalidated this min-Thornton Baker WELLINGBOROUGH isterial ect by ruling that in revoking the llcence the min-istry bad contravened its obli-Thornton Baker gations under Article 30 of the Treaty of Rome, an article pro-hibiting quantitative restrictions

on imports.
The French

no longer merely a matter for slogans and discussion in pol-

likely to record the florescence of public law as one of the most

something apart from and above English law. the law may appeal not only to Mr Justice Mann's decision ministers but also to bureau- brought the ministry little concrats invoking the parrotry of solation. He ruled that the claim "yes, minister" and "no, for damages in respect of anjudge." But the accountability innominate tort was obsolete of public organisations and institutions to private individuals, cause of ection, but that the associations and companies is companies' statement of claim companies' statement of claim disclosed a caose of action for

breach of statutory duty and misfeasance in public office. The impact of Europe on creasingly prominent and established feature of the legal judgment. He followed two decisions of the European Historians in the future are Algemene Tronsporten Expeditie Ondernening van Gend and Loos v Nederlase Admini-stratie der Belastingent the individual was entitled to sue European Court decided that an in a national court for protection against breach of an article in the EEC Treaty if that particular article created individual rights which national courts

In the other, Ianelli and Volpi SPA v Ditta Paolo Meronit, the European Court decided that Article 30 created such individual rights.

must protect.

The ministry's argument was that a cialm for damages was not an appropriate form of protection for an individual who alleged an infringment of his rights under that article. The only available and appropriate remedy was an application for judicial review by way of declaration, not proceedings for damages. According to the ministry, this was an adequate way of enforcing whatever rights the companies bad.

Mr Justice Mann disagreed. A declaration gave insufficient court could not grant an interim declaration to preserve the status quo or to safeguard the French companies against any claims was threefold; breach of statutory duty; commission of an innominate tort; and misfeasance in public office.

The preliminary issue

The preliminary issue constituted an attempt by the ministry to nip the proceedings in the bud by asserting that the companies claims disclosed no remedy would effectively pro-

cause of action known to tect any right conferred by the cause the French companies any English law.

Article and would effectively harm. deter any breaches.

THE WEEK IN THE COURTS

Mr Justice Mann saw no reason in principle why a person who alleged a breach of duty in contravention of Article 30 could not start what Article 30 could not start whatever proceedings he thought
appropriate, whether by way of
a claim for damages or hy way
of an application for judicial
review. In his opinion, both
types of proceedings were available. He rejected the application of any narrow doctrine of
"exclusivity" or "either/or" in
this context.

this context. However enlightened this may be as an approach to the problems of litigation, it remains to be seen whether the Court of Appeal or the House of Lords will concur with this aspect of Mr Justice Mann'a judgment, whether as an expression of legal principle or as e correct application of any pre-vious hinding decisions.

vious hinding decisions.

In support of bis ruling that the French companies were entitled to continue proceedings for damages for hreach of statutory daily in respect of the alleged contravention of Article 30. Mr Justice Mann cited a House of Lords case in which a contravention of Article 86 was held to give rise to a cause of action for hreach of statutory duty. Garden Cottage Foods Ltd. duty: Garden Cottage Foods Ltd v Milk Marketing Board. He rejected an attempt on behalf of the ministry to distinguish the legal effect of a contraven-tion of the two different articles. Because the French com-panies' statement of claim dis-

closed a cause of action for breach of statutory duty, the claim based on an innominate tort was obsolete; and in this respect, the statement of claim disclosed no cause of action. The phrase "innominate tort" offends the canons of euphony and lucidity, but there may be situations in which the needs of justice can be met in no other satisfactory way. The law should not hinga on labels.

The ministry disputed the legal sufficiency of the allegations of misfeasance in public

The law on public accountability

The ollegations of misfeasance against the ministry were as follows. In revoking the licence follows. In revoking the licence the minister's purpose had been to protect English producers against French competition. When he revoked the licence he knew that this involved a breach of ohligations under Article 30. At the same time, he knew that the revocation of the licence was calculated. he knew that the revocation of the licence was calculated to harm the French companies and their business. He also knew at that time that the protection of English turkey produce was not a purpose for which the power to revoke a licence was conferred on him by the relevant legislation.

It was argued for the ministry that those alleged facts were not sufficient to constitute misfeasance in public office. Past cases showed that misfeasance in public office was committed when the relevant conduct was

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in public office was committed when the relevant conduct was motivated by malice. But that was not the sole criterion. Mr Justice Mann relied on the Privy Council case of Dunlop v Woollohra Municipal Councill as indicating that knowledge of the invalidity of the relevant conduct was an alternative element to malice in the proof of the tort of misfeasance in public office.

There was, according to Mr Justice Mann, no sensible distinction between the case where a public officer performed an act beyond his legal power with

act beyond his legal power with the object of harming a particular person and the case where he performed an act which he knew to be beyond his power with the object of benefiting one particular person or group of persons but which had tha foreseeable and actual result of barming another particular person or group of persons.

It remains to be seen whether the tort of misfeasance in public office will loom large in forthcoming litigation arising

* TLR October 4, 1984. † Case 26/62 1963 ECR 1, 13. ‡ Case 74/6 1977 ECR 557; 575. § 1984 1AC 130, 141, 144.

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Appeal over breath tester threatens legal chaos

DRINK-DRIVING law chaos is say, in an appeal case brought driving charges after electronic threatened if the High Court by Scotland Yard, whether a device print-outs of breath-alcohol decides this week to uphold a former Home Secretary, Mr levels from the device proved London stipendlary magistrate's William Whitelaw, exceeded his ruling that the Intoximeter 3000 powers when he epproved use of

positive.

All could appeal against con-

The issue follows the recent decision at Wells Street Court. London, by Ms Audrey Jennings, a stipendiary magistrate, breath-test was introduced the device just more than a year viction, causing administrative to dismiss a case of failing to chaos in the legal system, if it provide a breath speciment chaos in the legal system, if it provide a breath speciment is found the Secretary of State brought by police against Miss Maureen Harrigan, 20.

The commercial heating system with a weather eye on your energy costs. If you are responsible for your office in conjunction with time controls to give

or shop heating, there are two things you you a day omission facility with frost ought to know about Britain's weather.

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off-peak period. The Anticipatory Charge and better economy. To cap it all they have Control monitors the temperature overnight and determines in advance what proportion of the full charge is needed. Then it regulates the input to the heaters so that they are ready to meet the heating demands of the following day.

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Taylor Woodrow busy at home and overseas

TAYLOR WOODROW MANAGE.

MENT AND ENGINEERING, Hayes, has won a design and management contract from Pirelli General for a 17m production unit for the manufacture of optical fibres. Programmed to commence production by June 1885, the unit will occupy about 2,000 sq metres.

Taylor Woodrow Construction Corp. of New York, has started a \$2.15m (£1.6m) contract 40 build in the second phase of the Lakeside Office Park in Tampa, Florida. The client is the Greater London Council.

Taylor Woodrow Construction Corp. of New York, has started a \$2.15m (£1.6m) contract 40 build in the second phase of the Lakeside Office Park in Tampa, Florida. The order has been placed by Taylor Woodrow Property Company of America and involves two office buildings providing \$5,000 sq ft of space. Work is scheduled for completion in June, 1985.

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A fl.4m contract to build a head office and warehuose for occupation by Share Drug Stores on the Nursling Industrial Estate at Southampton has been awarded to TAYLOR WOODROW CONSTRUCTION. the Nursling Industrial Estate at Southampton has been awarded to TAYLOR WOODROW CONSTRUCTION. The order has been placed by Taylor Woodrow Developments and calis for a struction and pipework services companies have begun work on contracts worth fi.7m for British and overall floor area of 6.300 sq metres. It is due for completion at the end of May 1985. A film contract for the improvement and extension of Batiersea Police Station, SW11, has been awarded to Myton by the Metropolitan Police. Work on the building in Batierses Bridge Road has started and is due for completion in March 1986. A f870,000 contract to build three aviation fuel tanks at RAF Church Fenton, near Tadcaster, North Korkshire, has been awared to Taylor Woodrow Construction (Northern) by the Property Services Agency. Completion is due in June 1985.

D. J. HIGGINS & SONS has six to the contracts in the contract in th

BUILDING CONTRACTS

Over £8m spread of work for Fairclough Building

FAIRCLOUGH BUILDING has secured a £1.5m contract from has won an £500,000 contract to build unaccompanied enlisted personnel housing at the structure as part of phase one of the London Bridge City development stretching between in Suffolk. The three-slorey butiding of traditional construction will provide 56 bed-sitting rooms for unmerried servicemen. Finished in brick cladding, the building will incorporate toilet facilities, a laundry room, on the Ossulston Estate in the London Borough of Camden. The clough has also started a fim-plus programme of repairs, modernisation and remodelling in 61 flats in Chamberlain House on the Ossulston Estate in the London Borough of Camden. The contract, for completion in 1986, includes installation of a passen-

and is due for completion in early 1986.

The Industry Secretary has appointed to the board of the Brittish STEEL CORPORApointed to the board of the Brittish STEEL CORPORApointed to the board of the Brittish STEEL CORPORApointed the board of the Brittish STEEL CORPORApointed the board of the Brittish STEEL CORPORApointed to the board of the Brittish STEEL CORPORApointed the board of the Brittish Industry sa properties of Brittish Industry sa senior partner of Price Waterhouse and deputy chairman of Cable and Wireless.

The Little Wood of the Brittish Industry Secretary Company secretary company secretary chairman of Cable and Wireless.

Richard Anthony Brookes and division of Busines Press International. He was deputy managing director.

The Was deputy sacceded as Chairman by Mr was pointed the board and managing director.

The Little Wood's ORGANI, SATION has appointed Mr william Huntley as group manager.

The LITTLE WOOD'S ORGANI, SATION has appointed Mr william Huntley as group manager and management services director. He is director, customer and markeling services (UK) with Sperty Computer Systems and Mr Phillip Clark has resigned as a director of Associated Lead North Median Parkeling services (UK) with Sperty Computer Systems and International He was deputy managing director.

Mr M. Ridley, LTA's nominec, head became part of Thornton Baker in 1978. Mr Michael P.

The LITTLE WOOD'S ORGANI, SATION has appointed Mr William Huntley as group management services director. He is director, customer and markeling services (UK) with Sperty Computer Systems and International He was deputy managing director.

Mr Bob Dodsworth, menaging director, in 1978. Mr Michael P.

The LITTLE WOOD'S ORGANI, SATION has appointed Mr William Huntley as group management services director. He is director, customer and markeling services (UK) with Sperty Computer Systems and Mr M. R. Ridley, LTA's nominec, head the board and Mr M. R. Ridley, LTA's nominec, head the was deputy Mr Mr M. R. Ridley, LTA's nominec, head the was deputy Mr Mr M. R. Ridley, LTA's nominec,

Two join board of British Steel

APPOINTMENTS

SOCIETY has created two new divisions to deal with branches Mr Kelth Holden has been ap-

ALEXANDER HOWDEN RE-INSURANCE BROKERS has pro-moted Mr R. M. Borton, Mr C. Freshwater, Mr A. W. MacDonald

Following the retirement of Mr Chris Timmins has been M. P. Kent of the 3m ordinary appointed managing director of shares in THE BATH AND of BRINTON TELFORD, Mr REED EXHIBITIONS, a PORTLAND GROUP previously

The LITTLEWOOD'S ORGANI.

SATION has appointed Mr.
William Huntley as group management services director. He is director, customer and markeling services (UK) with Sperry Computer Systems and joins Littlewoods on November 1.

Mr Phillp Clark has resigned as a director of Associated Lead Manufacturers in Newcastle to join Rudolf Wolff and Co. where he will co-ordinate trade.

Mr Barry Glddings has been appointed operations director of CANNING TOWN GLASS. He was a consultant specializing in production management.

SUN ALLIANCE INSURANCE GROUP bas appointed to the boards of Sun Alllance end London Insurance and its principal subsidiaries Mr D. B. Money-Courts, deputy chairman, and Mr K. Wilkinson, a director and deputy chief general manager of Phoenix Assurance. YATES BROTHERS WINE LODGES has appointed Mr John D. Bee as group financial tor; Mr director. He was previously a deputy partner in hie family firm of Mr Ra accountants, T. and H. P. Bee, director.

he will co-ordinate trade hedging programmes and handle physical melal business. Mr Clark has been with ALM for 30 years and is well known in LME circles. His mein responsibility in receot years has been in physical trading but he occasionally traded in the Ring when ALM were Ring dealing members or the Exchange.

The following appointments have been made in McCORQUO-DALE SECURITY PRINTERS: Mr Roy Carter as managing director; Mr Ian W. Willis com mercial director; Mr Nigel J. Richmond finance director; Mr Arthur Moran production director; Mr W. (Bill) J. Pankhnist deputy production director; and Mr Ray Rodford technical

Norwest Holst wins orders for pipework and construction

pletion is due in June 1985.

D. J. HIGGINS & SONS has six contracts totalling £4.2m for construction and rehabilitation projects. These include upgrading wards at the Central Middlesex Hospital, for the Brent Health Authority; erection of sheltered housing at Richards Place North. Walthamslow. For the London Borough of Waltham Forest; and rationalisation to the education department at the National Portrait Gallery, for the Property Services Agency.

The Birmingham branch of N. G.

BAHLEY AND CO has obtained for the structure of the West of the rest of the structure of the stru

The Birmingham branch of N. G.

BAILEY AND CO-Day obtained electrical installation contracts so far this year work in a total of over 23m. They include work at British Leyland production sites, 450,000; Co-operative stores at Lichfield and Birmingham, 2350,000; Co-operative stores at Lichfield and Birmingham, 2350,000; Co-operative stores at Lichfield and Birmingham, 2350,000; Central Television studios extensions at Birmingham, 2350,000; retail stores for John Townsend group offices in rentroish. Street: refurbish-ham, 2200,000; retail stores for John Townsend group offices in for the visually handicapped and rentroish for the Suiss work of the Swiss one bedroomed flats wolksham in Moorgate; re (1539,000); and modernisation of six lifts for \$4\$ homes at Burton Crescent, Lloyds Bank, Lombard Street, worth in the region of 200,000, Willmost will construct a workshop extension, aiter the cristing woodwork and machine rooms, and renovate other teaching rooms.

Willmott is also building an Beacommodition and general mits, work for the North and Scotland worth over banking facilities. The project fun including e 1475,000 contract warded by Blace Group.

Willmott is also building an Beacommodition and general mits, work for the North has contracts to talling almost provide 480 places for children egged between five and 12 for Buckinghamshire County Councill. The 17-month contract is office for completion by the end of 1985.

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A market-led revival

Ian Hargreaves reports on the UK oil company's strategy

voice answers: "Bnrmah-Castrol." This is odd since, strictly speaking, Burmah-Castrol does not exist. Burmah-Castrol UK is merely one of 200 subsidiary operating companies of the Burman On group whose telephone number is Swindon 30151. Burmah's other interests include Halfords bicycle shops, Rawlplug wall fixings and Quinton Hazell motor components.

At Burmah's parkland head-quarters, many other symbols of Castrol's pre-eminence in the group's affairs strike the visitor. Above the main entrance two flags flutter — one the blue and red of Burmah, a second, Castrot's green and white. There are two executive dining rooms - the Cargill Room, named after the Scottish adventurer who in 1886 founded Britain's oldest oil company, and the Wakefield Room, in memory of the former Lord Mayor of London who diversified from rail-way oils to motor oils and in 1909 invented the hrand name

There is good reason for Castrol's special atatus. Last year, along with a small petrol retailing husiness, it contributed 86 per cent of Burmah's operations are the year. ing profits. The year before, the figure was 89 per cent. Burmah is one of the very few oil companies in the world which makes more money downstream than it does from its upstream production of

In the decade since Burmah's financial crash, Castrol's cash has done more than anything to impart a sense of security and continuity in the group's affairs. But the very solidarity of the image has concealed the stagna-tion of Castrol's profitability and the fact that the company has been undergoing radical

According to Lawrence Urquhart, the ex-Shell man who switched from being Burman finance director to the chief executive's jnb at Castroi in 1982, Castrol's problem was lack of direction.

"The company worldwide was going nowhere. There was st a recognition that it was resterday's business, operating in mature sectors. The exploitation of existing markets and essentially, upon two discoveries products was the name of the made in the late 1970s:

This plateau was caused partly by the decline in Castrol's markets following the 1979 oil crisis. Demand for motor libricants in the developed countries fell by between 20 and 30 per cent between 1979 and 1983. The market has since resumed a trend of very slow growth, finked to a rise in the



Castrol's long-running campaign on British TV

on British TV
vehicle population but is still
held back by an underlying
move towards longer engine
maintenance intervals.
Industrial markets—Castrol
also makes oils used in
processes such as rolling steel
and lubricating cutting tools have also been reduced by recession, although again there has been some recovery this

For a long-established company, set in its ways, and the child of a financially strapped parent, these are tough condi-tions in which to pursue major policy changes. But somehow, in what sounds like a somewhat haphazard fashion in the early days, Castrol has indeed shifted

The new strategy is based, s and essentially, upon two discoveries ferent from the U.S. in that by the large oil compa of the made in the late 1970s: half of it is held by the so- The other major segand that although Castrol's called "genuine oils" of the Castrol's business,

DIAL SWINDON 30151 and a strategic expenditure were not market share had peaked in car manufacturers, whereas in the name of the game. Castrol some countries, such as the UK the U.S. 70 per cent of motor was on a gentle decline to and Malaysia, where it stands oil is sold through chain stores. But the remaining 50 per cent the evidence for this plenty of room for growth in of the Japanese market—

The evidence for this analysis, although hardly the biggest worry on the minds of Burmah shareholders, was evident in the results. Operating profits of the lubricants and fuels division of Burmah were to the fuel in 1981, £49.1m in 1982.

This plateau was caused partly by the decline in Castrol's markets following the 1979 oil

The first major application of the lubrication of the market in the market in the knowledge gained in one country and market niche throughout the group.

The first major application of these ideas, or perhaps the place where Castrol discovered the first element in its strategy, was the U.S.—a country Castrol had entered in search of supplies of oil at the time of the first oil crisis. In 1978 Castrol recruited what its executives still refer to as a "Procter & Gamble type team" to launch itself as a producer of premium-price oils, led by the famous (elsewhere) Castrol GTX hrand.

The approach was indeed pure Procter and Gamble: carerul research; testing of both product and message in small sections of the market, before moving on to larger areas; and eventually, from last year, a full naumal campaign—the hulk of it conducted through intensive TV advertising.

The initial advertising pitch was rough, tough, direct product comparison stuff, directed at the two market leaders—Pennzoil and Quaker State. But beneath the harbs lay a careful theme: that Castrol is the right oil for high-revving engine of

cent of the U.S. market. "We still cannot tell where the top is," says Neville Farehrother, 10 per cent in the U.S. TV is the Australian who now directs used heavily in breaking open Castrol's western hemisphere operations. The aim, he says, is to take Castrol to number three in the market, ahead of Valvoline and Texaco, by 1989. Buoyed by this success, Castrol decided to use the same approach in Japan, where in the early 1970s an initial bid to hypass the Japanese trading houses and sell direct into small car dealer and forecourt

network had failed. The Japanese market is difof the Japanese market— specialist auto accessory shops. ported car dealers-offered

Market research established that Castrol was best known in Japan among younger people with an awareness of motor sports. The decision was made and ourself the specialist suchs again backed by nearly LA auvertising and ourself off-mains from small larger areas sports. It desired was a market areas. or me country.

bilines the faunch in 1982, Castroi has picked up 1 per cent of the motor on market ann thinks it may be able to reach a per cent. The operation

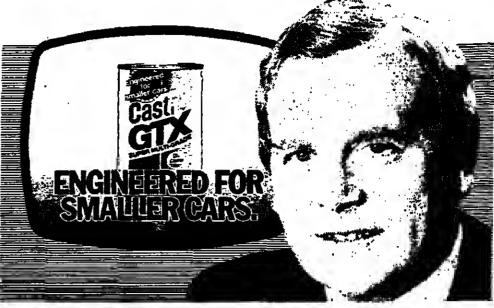
is areany breaking even.
Looking back, says Mike
Dearoen, who joined Castroi's
central inarketing and planning division in 1950, after spens with BP and PA Management Consultants, Castrol nan got ny tor decades without any systematic international approach to marketing. Market information tended to be a compastion of salesmen's reports.

Today, ne says, Castrol is still a long way from having its own marketing manual, in the way that some U.S. companies ou, but he thinks there is a more integrated approach, but shill leaving room for marvidualism.

"We really want our operating companies to look at their markets and to make their minds up what to do. Our job is to provide support from the engines of the smaller cars centre," he says, so there is no which by 1979 were sweeping the American auto market.

Today, Castrol claims 7 per about advertising spend, which varies from one per cent of turnover in Norway to almost new retail markets and to defend large market shares in the UK, but it is not used at all in Germany, where Castrot has a strong position through its links with motor manufacturers and repair shops. Castrol is now in the process of deciding how to boost its sales in France. The choice, says Dearden, is for a TV-supported blitz on the hypermarkets or to have one

The other major segment of Remarkable though it may seem, astrol's business, which the five and ten year strategic



Lawrence Urquiart, Cagtrol's chief executive, with the advertiting slogan which has helped the company pick up 7 per cent of the U.S. motor oil market within six year

seconnts for ahout 60 per cent plans completed last year at of turnover, is industrial pro- Castrol HQ were the first such

of turnover, is industrial pro-ducts, which present an entirely different marketing problem. Here, says Dearden, Castrol has identified an approach based upon solving customer problems. That means having the salesman on the doorstep, backed up hy strong technical advice, at exactly the right moment.

A favourite Castrol success story in this area is Consulta Chemie, a tiny, highly specialised German oil company which is one of five acquisitions made hy Castrol in Europe in the last four years.

Consulta discovered a formulation for a soluble oil widely used in the metalworking indus-tries which, unlike similar products, did not sustain smelly, unhygienic bacteria when warmed np. This product, Symilo-R, bought in 1981 along with Consulta, is now in use in car plants all over Europe.

This approach of "edging out" into new product areas is likely to feature in the U.S. strategy in the next few years, as well as in markets in South America, Europe and the Pacific Basin. one move already under way is to set up a company in South Korea. This will be the first time Castrol has tried to open up a new market using industrial oils, rather than its traditional motor oils. Urquhart's contribution since

TV-supported blitz on the joining Castrol seems to have hypermarkets or to have one heen to identify these successmore patient go at the garages ful approaches in Europe, the and petrol stations dominated by the large oil companies.

them into a corporate strategy.

company's stride are economic and political forces heyond its documents in Castrol's recent control.

history.
The effect, say Castrol executives, has heen to banish mem-ories of the period in the 1960s and 1970s when an amhitious and 1970s when an amintious
Burmah tried to run Castrol's
international operations
through the parent company's
own foreign-offices, which had
the effect of fragmenting
Castrol. "The centre has
recognised its own responsibilities," says Urquhart, "We have
more chiefs and fewer Indians,"

Retain own cash flow

Edging out, says Urquhart, may well involve acquisition and will certainly mean a sharp increase in the capital a sharp increase in the capital spending hudget, which raises the obvious question of whether Burmah, with all its other problems, can afford to back Castrol's ambitions.

The answer to that, says John Maithy, Burmah's model-Englishman chairman, is un-equivocal. "You have got to put your money on the suc-cesses." A former Castrol chief executive, he says Castrol will he allowed to retain sufficient of its own cash flow in the next six years to finance the new plan. Castrol already achieves an attractive rate of return," says Marthy (the figure is approaching 25 per cent on average capital employed). So far as Castrol's top mana-gers are concerned, the only

There must also, however, be some risk that as Castrol seeks growth in stagnant markets the competition will strike back. That would mean different things in different markets there are 700 companies in the automotive oll business in the U.S., whereas in other countries, the market is dominated by a

Across the world, Castrol does elso run head on against the major oil companies, whose products are every hit as good as Castrol's and whose resources as Castrol's and whose resources are beyond Burmah's dreams.
According to Mike Dearden, the industrial lubricants market is too finely atructured and specialised for the slow-footed oil majors, who tend, he says, to use their lubricant divisions as a ting on the management. as a rung on the management career tadder and so lack both the commitment and the crafticompany like Castrol.

In the motor oil business although the majors are strong and in some countries unshake ahle on the petrol station fore-courts, they have not so far eeriously tackled the retail store market. That, like attacking the industrial oils market, would require a degree of marketing finesse which thus far they have not displayed, as well as a will-ingness to allow general mer-chandisers to compete with their own petrol stations.

That may not be likely, but if the recent history of Castrol demonstrates one thing it is that old dogs are not beyond new factors capable of breaking the tricks.

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Backing for designers in industry

AS THE latest phase in its campaign to promote the use of design in industry, the British government is tacking a drave to be any more experience to advanced more companies to offer work

A six-week series of pro-A six-week series of pris-motional meetings in seven cities, under the theme. "Design by Experience," is now under way; meetings still to be held will be in London, Newcastle, Leeds, Cardin, Birmingham.

Launching the initiative, which has been organised and financed by the Business and Technician Education Council, Peter Brooke MP, the Junior Education Minister, appealed to employers to take several design students each for up to six weeks a year. There would be a three-way benefit, he argued: in industry, to the students themselves, and indirectly, to the quality and relevance of design education.

One of the recurrent complaints from companies about design graduates has been that they rend to be illprepared for wark in industry; not only that they are often ignorant of com-mercial and numeral realities, but that they are rejuctant to work to tight specifications. On the other hand, many design colleges have claimed that companies simply do not know how to use a welltrained designer.

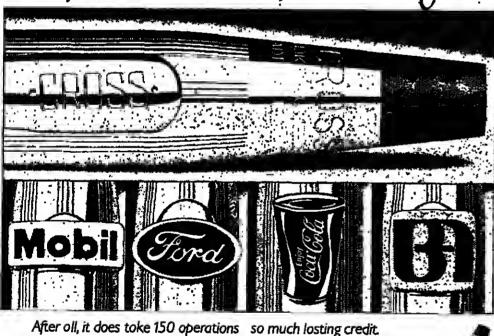
Though there was a grain of truth on both sides, the gap between them had been narrowed in the last few years, said Roger Hampson, principal of the Loughborough College of Art and Besign. But the relationship was still in need of improvement. in need of improvement.

The government's backing of this campaign comes hard on the heels of a doubling to £20m of its budget for the design advisory service funded consultancy scheme, which allows companies to use design consultants free of charge for a limited period.
It is also discussing assistance to the Royal Society of Arts to launch an industrial placement scheme for 200 top design graduates.

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Credit Suisse First Boston Limited Agent Bank

THE ARTS

Architecture

Colin Amery

Mods and Baroquers

There can be no doubt that the country house has become a growth industry. There is a larg gang of scribes plotting every move of the owners and their builders. There is even something called the "English Country House style," an invention of decorators and photographers which can now be found in drawing rooms in Islington and the showrooms of Sloane Street. What had not been noticed until recently is the fact that since the Second World War the actual industry of bullding new country houses has continued apace. If you accept the definition of a country house as the centre of an estate of at least 1000 acres, and usually much more the and usually much more the growth of the industry may seem surprising.
John Martin Robinson in his

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new book, The Latest Country Houses, (Bodley Head, £15.00) has uncovered the whoel archi-tectural sub-strata of the nation. At least 200 houses have been built or altered in a major way since the last war by architects journals and some architectural working in the Neo Georgian critics have always concentrated style. It would have been fascing to put a figure on the cost of all this building activity: turn and the mere sight of a ciassical column has been there is no doubt it represents an amount expenditure by land the cost is very fair because owners.

for anyone interested in the history of taste and architecture for anyone interested in the built in the style of our own history of taste and architecture day and quite rightly (albeit as well as social history. It has sadly) finds them wanting. It one enormous edvantage over so many books of architectural so many books of architectural landowners and lesser landhistory—it is amusing owners of our time to be able to commission fine modern level of gossip and voyenrism houses hut it is not their fault and the anthor is highly conhected if the architectural talent is scious of this. For example, the finds no difficulty in writing sentences like "Grouse captures the public imagination," There is an inbull; conservations the public imagination, amount to philistinism hut there are also qualities that protect and restore it end et the same that faces anyone when he is describing the business activities of shooting syndicatas.

But what does Mr Robinson full of fine Georgian furniture

landowners of our time to be able to commission fine modern saved by the spleadour of tha Duke's possessions.

Eaton demonstrates the dilemma that faces anyone wanting to build anew with plenty of money. It is ectually cheaper to huy an old house and restore it end et the same that for its setting. Inside the rolling is the interest possessions.

Eaton demonstrates the dilemma that faces anyone wanting to build anew with plenty of money. It is ectually cheaper to huy an old house and restore it end et the same that faces anyone wanting to build anew with plenty of money. It is ectually cheaper to huy an old house are also qualities that protect and restore it end et the same that faces anyone wanting to build anew with plenty of money. It is even the public imagination."



A new house for a modern architect: Castle Gyrn by John Taylor

tional architecture as an almost furtive activity. This is only because the professional journals and some architectural

wners.

it casts a discerning eye over
This book is essential reading the few bouses which have been built in the style of our own day and quite rightly (albeit sadly) finds them wanting. It would be satisfying for the great landowners and lesser landowners of our time to be able are inevitably ordinary but an owners of our time to be able are inevitably ordinary but

that only now is to be found is both important and interesting a few architectural practices.

The new house built for the fifth Duke of Westminster on the sile of the demolished Westming the architects of the demolished with the sile of Victorian Eaton Hall is an seem to understand and this is interesting test for taste. It the one quality so often lackwas built in 1971-73 by the ing in "all-purpose modern" Duke's erchitect hrother-in-law, architecture.

John Dennys. It is large and It is e sad John Dennys. It is large and looks rather like the High Commission in a minor Third World country. With three storeys and cleerly following the Carbusian tradition it is a bouse and that so many of them are seduced by the

trends of the transatlantic mag-azines. The modern style is seldom ideal for the English seidom ideal for the English countryside on eny large scale, a fact that the new builders seem to have accepted.

There is a pleasing irony in the house that illustrates this article, Castle Gyrn in Wales. This house was completed in 1977, and is desirable to the seem of the country of the seem of the see 1977 and is designed to be occupied hy its architect owner who has built uncompromising-

Bloody Poetry/Leicester Haymarket

Michael Coveney

Fire and water, explosions and squalls, these are recurring elements in Shelley'e life and art. At the end of Howard Brentoo's new play, Byroo attends the cremation on the Viareggio beach. He delivers an oration: "Burn him. Burn us all. A great hig hloody beautiful fire." Radiçalism, artistic defiance, an intellectuel rage. These are the virtues celebrated in this extraordinary dream play which begins, as it ends, on a foreign shore.

The first meeting of Byron and Shelley in I816 ls elaborand Shelley in 1816 is elabor-ated by Brenton to announce his themes. We see Shelley with his two companions, Mary Godwin and ber half-siater Claire Clairemont, travelling bumpily into Switzerland, cries of "atheistical perverts" atill ringing in their ears. Byron comes up the strand to deliver a diatribe against Wordsworth, the sold-out reactionary, and thoughts on the phenomenon of mal retention among poets. "We've met," he says "now we can make it mythical."

This playfulness with legend breeks loose with what sounds But the two poets conlinue This playfulness with legend is reflected in Poppy Mitchell's set of blue, watery vistaa contained in three large hiue receding proscenium frames (an idea first used by Philip Prowse for Proust in Glasgow). Rigging hengs down to suggest the travelling, the fateful boat journeys. Summer in the Ville Diodati is a strange, hallucinatory time. The poets and girls are released in Poppy and the property time. The poets and girls are could be if we were truly free."

tory time. The poets and girls are discovered necking by Byron's doctor friend Polldori, discussion of how beat, or most usefully, we ahould live. His protagonists do not heve it all a sour receptacle of critical loathing and envy ("They must not win, I could not stand it"). their own way. Poor Harriet
Westbrook (Sue Burton)
gabbles reproachful music hall
snatches: Shelley's first wife
then drowns like Ophelia and
baunts the action like a gbost. This slightly awkward repre-aentation of the sexual partnar-ships gives way to a bizarre charade hased on Plato's cave a Boodian device not very auc- in a green Napoleonic coat. in the Sumnosium, which in cessfully handled by actress or Fiona Shaw has Mary's nose cessfully handled by actress or director Roland Rees.

rhetoric of Byron to forge a

in the Symposium, which in turn is superseded by Mary's first vision of Frankenstein's monster and the peculier ner-vous seizura Shelley endured Shelley up to this point has been daferential, timid even, in Byron's presence. He suddenly

Platonist discussions unabated long disquisitions by goodola, incorporates a haunting passage about the Maoiac from Julian ond Moddolo.

The production by the touring company Foco Novo (in association with Leicester) is not, I feel, really up to the play. It is tentative, a bit twee (the music of Aodrew Dickson is finally irritating, although the combination of saxophone and dislant voices, of earth end ether, is a good one), and badly

Only James Aubrey's Byron commands sympathetic attention, a flashing Impetuous figure rector Roland Rees. and primness atl right, but not Retalionships keep breaking her Intellect. Miss Shaw, a very Retalionships keep breaking back into the perfervid theorising, Mary (now Mrs Shelley) berating Byehhe for underreacting to the death of their child. Byshhe bimaelf acting as go-betweeo on behalf of Claire gold bar child by Ryron Allegra and ber child by Byron, Allegra. Gurnett on ordinary Claire.

Fool for Love/Cottesloe

Michael Coveney

In New York, I found Sam powerful. It is, in sbort, a hit shepard's Fool for Love a strange, bewitching, shattering, dead-of-night sort of play. The author bad directed it. Above all, I recall the physical energy of Eddie and May, angels with more masculing gender.

In New York, I found Sam powerful, It is, in sbort, a hit rings on a hoopla stand. It just mother of the girl he was to be expert, has to be of Eddie and May, angels with dirty faces, locked in a sibling impasse of incestuous recrimine-

In the National's studio theatre we do not have quite the same thing. We have, to be sure, two outstanding ectors, Julie Walters and Ian Charleson, as the sister and half-mather than the state and halfness activities of shooting syndicatas.

But what does Mr Robinson full of fine Georgian furniture
tell us about architecture and tasts. The answer is a great
deal and all of it is fascinating.
He is right to describe the is right to describe the is ready—continuation of tradi-

Shepard attributea a broken-down quality to Eddie, the impasse of incestuous recriminetion, throwing eech other hard
agelust the green slimy walls
of a motel on the edge of the
Mojave desert.

In the National's studio
theatre we do not have quite
the same thing. We have, to be
sure, two outstanding ectors,
Like Walters and Lap Charles
branded urban cowboys. When branded urban cowboys. When he hears May has a date coming ("I will turn him into a fig" threatens Eddie cumbersomely)

whom Brenton transforms into

after Bryon's recital Coleridge'a "Christabel."

tumble and Julie Walters scores a laugh the way Maggle Smith does with "So now we are gonna get mean and sloppy, is that it?" Jutie Walters as the small town cook emits a hlanched, drained quality but is in continual danger of being goosed hy her own instinctive high spirits. The point of the play is that these people have nowhere to go, they have come to the last resort (it is a bit like an evant garde Bus Stop, really) and the crunch is to follow. Eddie has Iravelled for

daye to pin May down.

It is a short play (75 minutes, no intervat), but a noisy one, by no means the hest of Sam Shepard and, like Shepard's script for the Wim Wenders film Poris, Texas, it deals with the tracking down of a least the tracking down of a loved one, the destructive neture of obsession. Almost a country ballad, the story of Eddie and Mey is stripped down to its domestic origins, and the lyricism of the writing intensions a Eddie remember a triples.

device: the presence on the edge of the stage of an Old Man, the father, in a rocking cheir. He is booked on the folk ainger Berbara Mandrell. the woman of his dreams. His real women have let him down. But Tom Watson's performance does not explain very much of what the writing leaves ont.

May's date, in the unremarkahly bovine presence of David Troughton is subjected to e volley of sarcaatic vitriol by Eddie lying flat on his back by the bed-head. There is the odd intrusion of an unseen "Countess." pursuing Eddie in a black Mercedes, who blows up his truck in the motel car park.

Alison Chitty's dull grey set, charmlogly dilepideted, and the discreet lighting of Stephen Wentworth do not really convey the dangerous tensions lurking in the play. The National would seem to he good at cracking David Mamet
—but the Idiosyncratic poetry
and suhversive magic of
America's leading dramatist fies as Eddie remembers a trip can prove, as here, silppery, with his father to meet the elusive, foreign.

Frogs legs and the French film industry

my dally commutings into climbed by 30 per cent in a Paris from my Nemours motel year), a downward productivity— is as mysteriously and busily— graph (231 films made in 1981, impenetrable in the mid-1980s—164 in 1982, 131 in 1983) and as Paris is in September and an alarming financial failure October. Assumded by the big success ratio (80 per cent of as Paris is in September and October. Astiounded by the big success ratio (80 per cent of French presence at the Vanice Film Festival this year, with four films in competition by the deethless brigade of Rs — gloveless fists (insisting on Rouch — and many other movies on the fringe, I had decided to take the pulse of Parls and see if French clnema is undergoing, a long-awaited sistion, from subsidy of films. is undergoing a long-awaited isation, from subsidy of films taurants you won't even fied Homme Et Une Femme 1 thet revival. Is a Second Wave about to nationalised banks, has meant frog's legs on the menu! The also sometimes skim into festo crash on the shores of Film that loans to movie production dom?. Are new directors of are ever more insidiously ned

"Paris est complet, mon, steur."

The chilling words rang out from the hotel accommodation lady on the motorway 50 miles. During my stay in France, Le outside Farls. Packed out by the Slond d'automne the city pages billo an open form for the same pressured production sources. The could be no room for me at any letter and articles about French in the streets, with shoestring brilling and the streets, with shoestring product on sources that directors were forced by french cinema. But on both which smack of the hrave days on the motorway 50 miles. During my stay in France, Le source the same pressures hotel.

There could be no better symbol than this for the symbol than this symbol than this symbol the symbol than this symbol than this symbol the symbol the symbol than this symbol the symbol the symbol than this symbol than this symbol the symbol than this symbol than this symbol the symbol than this symbol th

Nigel Andrews searches for signs of life in the French cinema.

genius even now curled up in to government approval of the tors define a national cinema. the swell?

But the current upheavals and ing movies, which occupy congrowing pains are no less interesting and momentous for that, Poised on the cusp of new technology — with an expanding video market and a new aubscription TV channel due to the cusp of the dearth of the current upheavals and ing movies, which occupy congruences in the con

Except, of course, when there

'auteur' theory is like that. tivals, is baving a rough time.

People think a handful of direc- His last film Vira La Vie faltered (relatively) at the box office and his new one, which I discovered him making in the Truth, as usual, proved the creative furnaces. And at stranger than expectation. TV because feature films get a France during the last twelve apparent yet to Godard, Truff since the medium lays out only feur, Chabrol or the four Rs. 4 per cent of its budget on buyboasts the usual all-star cast-Jean-Louis Trintignant, Michel Piccoll, Annie Girardot—and the usual nostalgic, generation-

(hut not by me).

This year's Berlin Festival brought forward the première of

the latest Reimann opera: The

Ghost Sonato, chamber work

and companion piece to Rei-man"e very first work for the

lyric stage, A Dream Play of 1965, also on Strindberg. The

1900:" as at that time Strind-

berg was winning a Berlin

following, the choice was an apt one. Altogether, Strind-

berg's late Chamber Plays seem

apt material for operatic plun-

der-1'm surprised 20th-century

opera composers haven't dona

so more often. The dream idiom

of The Ghost Sonata, its con-trasts of sharp naturalistic ob-

give you your lines until ten rowed or beautiful style.

minntes before shooting. So there'e always this sense of treshness and spontanelty."

The higgest new French film to open during my Peris visit was Christine Pascal's La Garce, which care in the control of the property of the control open during the control ope

isn't. In recent years Lelouch's once authentic charm has become ever more big-engined and impersonal. And though one gogles at the loving period transformations going on in Pouilly—from repainted signs to 1940s Cirroena equipped with gazogenes (large fuel-saving gas/oxygen cylinders strapped to cars during rationing1—and admires Lelouch'a attempts to continue the New Wave tradi-tion of improvisatory direction (camera angles thought up on the wing script sprung on the actors at the last minutel, one tion effort.

Nostalgic subjects, further-more, like that of Partle, Revinir are often the sign of a cinema hopping tale, here spanning the industry in retreat, or at least 1940s and '50s.

Trintignant, who leapt to the present. The miracle of

which goes in a lot for Beneix's doom-and-velvet violence in its sale of boy-rapes-girl, girl-quitelikes-it and amour-fou-results. Isabelle Huppert performs ex-pressive wonders with the semidaft material and Richard Berry (of La Balance) has a strong Bogart presence as the man. But like Beneix's films it'a an exercise in style with little or no substance; all dressed up, it has nowhere to

For the French cinema to revive ertistically, there have to be new voices, new ideas and new styles. And for it to re-vive commercially—which I don't believe is the separate phenomenon my distributor-friend suggests—thet freshness. confidence and courage have to spread into entertainment movies too. (Just as Godard and Truffaut 20 yeers ago begat a popular apostle in Lelouchl. The French New Wave is dead: long live—and may it hasten the next wave.

A Strindberg opera/Berlin Festival

Max Loppert

The Diamond Body/Bush

Martin Hoyle

in the puh downstairs, they may find a home from bome. What the Celtic expatriates of W12 will make of this monologue ebout androgyny is uncertain. Olwen Fouere's short leading light Stephenos is, bair and masculine ettire abandoned by nervous members initially suggests no more than in the face of growing bostility, an ultra-fashionable female; but is insidiously and hauntingly bair and masculine ettire initially suggests no more than an ultra-fashionable female; but as the harsh-voiced storyteller gets into his/her stride, it becomes apparent that this is

a man recounting the fate of his friend, wilful, charming, doomed Stephanos with his women's breasts, mntilated and killed by the outraged locals of

a Greek island.
For nearly 75 minutes Ms
Fouere holds the stage with the
help of musical punctuation
by Roger Doyle (a co-ordinator with Brendan Ellis) and John Comiskey's lighting. Aidan Carl Matthews's text fleetingly re-calls the baroque lyricism of the central speech in Suddenly Last Summer when Catherine remembers her kinky cousin cut into collops by cannibalistic

The Dublin-based ensemble catamites. There is no doubt operating Theatre is currently that Stepbanos and his hominate Shepberds Bush where, to judge from the friendly interest evinced by the Hibernian staff precious in their self-conscious precious in their self-conscious decadence ("they heve every avallable recording of Cloir de tune end that makes everything bearable"). But the milieu of the Easter Island Club whose ceught.

Ms Fouere is an ex-Abbey Theatre Antigone. I can imagine it. Her narrator, ironically smiling delachment belied by the grief-stricken eyes, is powerful and controllad. She occasionally assumes the role of the victim and conveys the desperate charm es well as the pathetic freakishness. She has the conviction to inflect lines like "Your little finger is unremarkable hut your third finger is a joy" with a gentle self-mocking gallantry. A curious hot-house experience, lovingly executed; and, I suspect, no more for the locals of the Goldhawk Road than of the

Arts Guide

Music/Monday. Opera and Beliet/Tuesday. Theatre/Wedneeday. Exhibitions/Thursday. A selective guide to all the Arts appears each Friday.

Music

PARIS

Felicity Lutt. soprano, Graham Johnson, piano: Purcell, Schubert, Strauss, Duparc, Britten: (Mon). Théâtre de l'Athenée (7426727). Vlories Cortez, mezzo-soprano, Antoine Garcin, baritone: Donizatti, Ravel, Purcell, Mozart, Rossini (Mon 5-30pm). Orchestre du Mai Florentin, conducted by Eduardo Mata, Cecilia Gastila, soprano: Rossini, Mozart, Mahler (Mon 8-30pm). The Chitelet (2334444). Gyorgy Ligell, Zsigmond Szathmary, organ: Ligeli, Bruhra, Frencobaldi, Bach (Tue) Saint-Germain des Près Church (5490525). Felicity Latt. sopreno, Graham John-

Charch (500) (500).

Orchestre de Paris conducied by Daniel Baranboin: Bruckner (Wed, Thur) Saile Pieyel (6510) (96).

Quattuer Arditti, Mrongovina, Pennetter, Pianos (Thur), Centre Georges Pompidon, Grande Saile (5490526). TALY

MHan: Toutro alls Scala: (concert sea-son): Assat Dorati Conducting and planist lies von Alpenheim. Haydn, Mozett (Wed and Thur): (802128).

· LONDON . Phoenix Sexophone Quartet: Purcell Boom (Mon). (9283181).
London Symphony Orchestra conductnd by Claudio Abbado with Raidolf
Serkin, plano. Mendelssohn and
Mozart. Barbican Hall (Tue).
(838-881). (638,6691). Seems Symphony Orchestra conduct-ed by Wolfgang Sawallisch, with Ta-

mas Vasary, piano. Brahms, Beet-hoven and R. Strauss. Barbican Hall (Tue).
Royal Philharmonic Orchestra and
Brighton Festival Chorus conducted

by Andrew Litton. Geoffrey Burgon's The World Again - first performance, Poulenc and Faure. Royal Festival Hall (Tue). (9283191). Vienaa Symphony Orchestra combucted by Wolfgang Sawaillah with Dietrich Flacher-Dieskau, baritone. Elgar, Mozart and Brahms, Royal Fes-tival Hall (Wed).

Boyal Philharmonic Orchestra con-duried by Andrew Litten. Dvóřak and Gershwin, Barbican Hall (Thur).

TOKYO

Nathaniel Rosen, cello: Stravinsky, Brahms, C.P.E. Bach, Grieg, Nerima Bunka Center Small Hall (Mon), Francoeur, Chopin, Beethoven. Granados, Falla, Tehaikovsky, (Tue). Tokyo Bunka Kaikan Small Hall (Tue). (237 1990).

. NEW YORK

New York Philharmonic (Avery Fisher): Zubin Mehta conducting, Pinc-bas Zukerman viola and violin. Tele-mann, Hindemith, Vivaldi, Bruch. mann, Hindemith, Vivaidi, Bruch,
Wagner (Tue); Myung-Whum Chung
conducting, Emanuel Ax plano. Bartok, Chopin, Dvorak (Thur). Lincoln
Center (7999525).
Rosalya Tareck (Carnegie): All-Bach
recital (Thur). (2477459).

Oct 5-11

National Symphony (Concert Hall): Michael Tilson Thomas conducting. Michael Tilson Thomas conducting Shlomo Mintz violin, Dahl, Beethov en, Brahms (Thur). Kennedy Center

WASHINGTON

CHICAGO

Chicago Symphony (Orchestra Hall):
Janos Ferencsik conducting. Weber,
Schubert, Strauss (Thur). (4358122).

Interactical Days narry count as operas in any conventional reckoning). The success of Melusine (1970) was followed by a much greater one with Lear (1978), widely travelled, recorded, and generally admired John Scott, organ. Mendelssohn, Schu-mann, Matthias and Liszt. St Stephan Cathedral (Wed).

Michael Gailit, harpsichord, Thomas
Schmoger, organ. Bach, Soler, Haselbock, Planyavsky and Handel.
Old University Church (Thur).

ZURICH

Tophalle: Tophalle Orchestra conduct ed by Kasprzyk. Bloch, Chopin, Szymanowsky (Wed); Choir and Symphony Orchestra of the Polish ing station Kraka with Penderecki conducting Bach (Thur).

NETHERLANDS

msterdam, Concertgebouw. Bernard Haitink and the Concertgebouw Or-chestra with Marius Rintzler and the men of the chorus of the Concertgebouw Orchestra Schumann and Shostakovich. Wed and Thur.

Aribert Reimann, not yet 50, that can somehow transcribe is Germany'a leading opera the "inner reality" of which the composer. The description is events in The Ghost Sonata are rather less grand than it may a mysteriously beautiful and rather less grand than it may seem, for in neither West nor East can opera composition be deemed a flourishing art (Stockbausen's grandlose series of theatrical Doys hardy count as taxing but rewarding property in a mysteriously beauti disturbing emanation.

Reimaun's operas have a mysteriously beauti disturbing emanation.

Reimann's operas have found a niche because they are intelli-gently and carefully made, with taxing but rewarding parts for singers and instrumentalists, and because they are "modern" without being troublingly innovative. That fascinating and unrepeatable fusion of music and drama called "opera" doesn't seem to me to happen in any of them that I know; the charge so often mede of contemporary operatic adaptations, that they have "musicked" their subject rather than recreated it, must be hrought out once again-though perhaps it is less sweepingly true of Die Gespentheme of the 34th Berliner Festwochen was "Berlin around stersonate than It was of Lear, all violent effects, modish compositional devices, and little real

sound-substance. The libretto, drawn directly from the Swedish original by Reimann himself and Uwe Schendel, is (epart from one or two curious elaborationsl a model of practicality. The disposition into a 90-minute structure of scenes and instrumental interludes shows reel mastery, servation and macabre fantasy, its bleak vision of human beas does the writing for a band of 12 players (planist doubling haviour and human relation on harmonium); everything is ships, all this would appear to paced and placed so that nothsupply openings for music that is not merely mimeric, music

shiver"-ostinati, tremolandi, and (at moments) a prepared piano underscoring for the expression of ghostly conflict, and a string-quartet counterpointing in bleak, post-Shosta-kovich bareness of emotional aspiration. The vocal writing. which sends the tenor Student (David Knutson) into the countertenor stratosphere in the style of Reimann'a Lear Edgar, is all clever intention. Nothing sticks, except in the generalised way of a play's atmosphere "tuned" by music,

The best thing about the experience was the fine individual performances of a splendid cast, largely made up of distinguished veterans: Hans Günter Nöcker as the mallgn Director; Donald Grobe, William Dooley, and Horst Hiestermann as his various victims; and the great Martha Mödl, giving a wonderful display of naked theatrical power, in the pivotal role of the Mummy (Relmann's writing for a mezzo still expressive hut reduced in power and support modulating between low-register keening and speech, is another model of practicality. The Deutsche Ope production, in the Hehbel-Theater, by Helnz ing goes on e moment too long. Lukas-Kindermann was tacky, What is missed, to put it predictable, and inexact; the

In the opera house proper, tha Deutsche Oper celebrated the festival with among other things, the inauguration of a new Ring produced by the house Intendent Götz Friedrich. To a London operagoer well acquainted with Friedrich's first go et Das Rheingold, the second was a surprise. The ideas behind it maybe the same (the tetralogy takes place "in a theatre;" gods and giants are guyed, Wotan's predicament is rendered in crude simplicities, Loge is a witty, wisecracking outsider), but the wholly new guise in which they are pre-sented by Peter Sykora's the "Neubeginn," of Herbert designs, and the brilliance of von Karajan and the Berlin the staging (less complicated, Philharmonic after their muchif still not ideally so, than the Royal Opera one), must remind even the most implacable foe of Friedrich's methods of the sheer fertility and imaginative force of those methods, the sheer expertise of that stage—that was not just old-fashioned—which can sometimes shed craft.

The permanent set is a giant tunnel, brilliantly lit to suggest various world dimensions (though never those of Nature and epic vistas—lumnel vision? 1.
The comedy is sharpened by fluttery 50s-starlet Rhinemaidens winding in and out of waving clear-plastic sheets; by ductor's part was e an Alberich in Nibelheim com-spellbinding genius.

simply, is any sense of musical depth. Using extreme shorthand, one might divide the idiom into a kind of "rattle-chivas" action. better than in London) dressed as a fly dude lawyer, all depre-ciating charm and coot unin-volvement. It's a vision of the opera in which I diabetieve, of which I disapprove; it's not drawn out of the music, com-petently conducted, without re-sources of Wagnerian power, by Jesus Lopez-Cobos. But it's irresistibly fascinating. In a strong cast, mainly American, Simon Estes (Wotan), Diane Cutty (Fricka) and Matti Salminen (Fasolt) stood out.

A brief word on the Bach B

minor Mass, in the Philhar-Philharmonic after their muchreported period of strife. The cause the performance itself was a bore, given with large forces (big orchestra, hig choir, the Vienna Singverein) in a way illumination in ttself, vide late Klemperer—but sumptuously soft-centred and soft-spirited,

Bach without tension, tough-ness, or exhibitation. But it was an event treated, at the close, like a musical Second Coming, a masterplece of sentimentality on all sides in which the conductor's part was enacted with

FINANCIAL TIMES

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Monday October 8 1984

Mr Ridley's failure

on airline competition policy continuous horse-trading with as an "almost ideal" blueprint two of the protagonists—BA for British civit aviation. Even and British Caledonian for two ellowing for a politician's creative use of language, this was a remarkable statement.
The Government, flying in the face both of its own rhetoric end the recommendations of an independent regulatory body—the Civil Aviation Audiority—is now preparing to send British Airways into private ownership in almost precisely its present form

There was oo historical inevitability about this. One might have expected a Government seriously interested in competition to have rejected the CAA's plan to cut BA's market share by about 11 per market share by about II per cent on the grounds that it was far too modest. Rontes, as the CAA stresses but Mr Ridley fails to comprehend, are not assets that "belong" to indi-vidual airlines. It would have been quite feasible to have reduced BA's share of the choicest routes by a much choicest routes by a much bigger fraction than the CAA dared to recommend.

Why has the Government been so extraordinarly protec-tive of the status quo? Its Parliementary term has et least three years to run and it bas no urgent reason to raise cash from BA's sale. Now is surely the time for imaginative policies yet the White Paper's subjuga-

Constraints

The depressing result is that Britain will be stuck with one very dominant airline for the foreseeable future. These will be no enforced route transfers pe no entorced route transfers
post privatisation while new
route licences to be fought for
represent only a tiny fraction of
those BA already possesses. Mr
Ridley sets great store on an
extension of dual designation extension of dual designation of two UK airlines on one route. This is certainly worth pursuing but capacity constraints inberent in bilateral agreements make the utlook uninspiring. giving this obje The manner in which Mr priority it deserves.

THE SADDEST sight last Ridley has resolved tha future Friday was of Mr Nicholas of UK civil eviation is almost Ridley, the Transport Secretary, describing his White Paper print. He has been involved in and British Caledonian for two months. The haggling continued last Thursday night until a few hours before the White Paper, e filmsy 12 page affair, was printed. This bas had two results. First, the CAA's proposals have been dismissed without any serious counter-arguments being presented. arguments being presented. Second, the independent airlines, other than BCal, have got

a particularly raw deal. The CAA had wanted to give the small airlines a real oppor-turity to expand without tunity to expand without damaging BA's core business at Heathrow. It therefore proposed that independent airlines should that independent airlines should taka over BA's European routes from provincial airports and all its scheduled business from Gatwick. Mr Ridley has squasbed this idea and taken up instead a paternalistic scheme of BA's—that the independents should attempt to develop the provincial routes BA does not provincial routes BA does not want with the financial backing and supervision of BA. Hardly a recipe for genuine competi-

tion.
The White Paper has also done little to ease the acute difficulties the CAA will have in attempting to regulate a very BA following privatisation. The very fact that Mr Ridley has rejected most of the CAA's proposals will give yet the White Paper's subjugation to short-term expediency is
near absolute. Mr Ridley calls
it "elmost ideal" merely because
it evoids a delay in BA's privetisation, a substantial drop
in its sale price and the need
to steer difficult legislation
through the House of Commons.

He CAA's proposals will give
BA a lift: When a big Issue
egain lobby ministers directly.
It will be impossible to avoid
continual political intervention
in aviation. The Government
bas also refused to give the
CAA new power to help it
combat anti-competitive be-CAA new power to help it combat anti-competitive be-baviour and has chosen insteed to give the Office of Fair Trading a new role in civil aviation with powers to make references to the Monopolles

and Mergers Commission. In view of the Government's decisions, new opportunities for small airlines may depend in large part on the speed with which air transport can ba liberalised in Western Europe. The recent agreements nego-tiated with the Netherlands and the signs that a more liberal regime may be agreed with West Germany, are encouraging indications that Mr Ridley is giving

East Germany's 35-year itch

YESTERDAY East Germany lations as between "two sov-celebrated a milestone anniver-sary. Thirty five years ago it was transformed from the Rus-sian occupation zone into the German Democratic Republic, ice." That was not new; Herr in response to the metamor-phosis e few months earlier of West Germany into the Federal Republic. Like West Germany, East Germany has become well estblished. Internationally recognised and the most prosperous within its part of Europe, A generation of East Germans, like West Germans, bas grown up knowing only the

with the invasion of the West German embassy in Prague by some 90 would-be East German refugees seeking asylum in the West

The two previous such incidents this year—in February when 40 East Germans entered the Prague embassy and in June when 55 took refuge in the West German mission in Fast Berlin—wave resolved by East Berlin-were resolved by the East German Government allowing them to travel to tha West in return for the usual monetary consideration from Bonn. This time the East German Government does not seem ready to repeat such a bargain, and one can see why.

Another embarrassing incid-

ent like this mars East Germany's 35th birthday party, at which the media is playing up the citizenry's affection for their socialist way of life. It also provides President East German Honecker, the East German leader, with an ewkwardly early test of the new bardline is a feeling of national claustro-approach towards West Ger-many be has bad imposed on vakia is the only country which him from Moscow, following East Germans can visit without him from Moscow, following East Germans can visit without the humiliating cancelletion of a visa: hence tha Prague sit-ins.

Honecker has used the meta-phor before. But what was new was the total abandonment of his previous thesis thet superpower hostility bad made dia-logue between the two Germanies more, not less, necessary

All this has given the anniversary celebrations a sweet and sour flavour for East Germans. bas grown up knowing only the division of their nation.

But it is not an essentially stable division. However much it does (witness the recent disapproval of Pan-Germanism by the Italian foreign minister)—the present divide of Germany perpetuates a constant tension. The latest sign of this has come.

They can cougant survival, which was particularly tricky until they walled in West Berlin in 1961, and on the rapid industrialisation which other teast Europeans look at with envy but East Germans tend to look West, not East, to a life style they can envy every night on West German television.

Nor cn they forget that

Nor on they forget that originally the East German state was founded as a tempor-ary structure to last only until Germany could be reunited under the banner of socialism. These Pan-German aspirations were officially dropped in East Berlin at the onset of detente in the early 1970s, but only cause detente promised a kind of Pan-German dialogue,

Decisions

Chancellor Heimut Kohl speaks, rather too often to be speaks, rather too taken to politick of there being two states in Germany but only one states whose "exist-German nation whose "exist-ence is not contingent on gov-ernmental decisions" and which "preceded the formation of a national state and has outlived it." This is an inescapeble fact, and one from which many East Germans de not want to escape.

What they do want to escape his long-planned trip to West Only East German pensioners Germany last month. are free to travel to the West. What is clear is that Herr What is clear is that Herr Honecker has now had to toe every inch of the Soviet line. Final confirmation of this came on Friday when Herr Honeckar small country could tolerate.

Guy de Jonquieres sets the scene for the Government's flotation of British Telecom

WITH A PROFIT of £990m on £6.9bn turnover last year and about 240,000 staff, British Telecom operates one of the largest businesses in Britain. It has fixed assets of £8.6bn and its annual capital investment is about £1.5bn. Its principal activity is providing connections

FTER MONTHS of intri-cate and often feverish

preparations, the Govern-

ment is getting ready to press
the firing button, bold its
British Telecom soaring
its breath and — it hopes —
smoothly into orbit as an
independent privately-owned

With only weeks left until the mid-November target for the sale of 51 per cent of BT's shares, nationwide promotion of the largest transfer of stete assets to private ownership attempted anywhere in the world is now in full cuing.

world is now in full swing.

City institutions bave heen primed, regional brokers wined

and dined and the general public deluged with a flood of

public deluged with a flood of television, newspaper and direct meil advertising. The publicity campaign, with a budget esti-mated at £6m to £8m, is unprecedented and could have invited accusations of share-touting if the seller were not

But then the scale of the

flotation, expected to raise some £3.5bn, seems certain to

set new world records, dwarfing British Petroleum's £624m

The Government, which is counting heavily on support from small investors, bas un-veiled e generous package of

inducements to tempt them. For a standard rate taxpayer

buying £1,000 worth of shares the annual return is expected

to exceed 17 per cent, including rebates on his telephone bill, Terms for BT employees are

The favourable comparison with building society rates may

prove decisive for many small investors. But what sort of a

company will they be buying?
Can e netionalised industry,
with an unenviable reputetion
for inefficiency and indifference

economy?
BY starts with one over

paratus, it has strengthened its bold significantly in the past

agement wants to project is, bowever, more glamorous and

to commercial opportunity and impatient to compete m a wide range of emerging growth mar-

kets from office automation to

satellite systems.
Sir George Jefferson, BT's chairman, talks enthusiastically

even more attractive.

the Government.

enterprise.

between 29m telephones serving 20m customers-one of the largest networks in Western Europe. Last year, it handled 18.8bn local and 3.9bn trunk calls. International calls, which can be dialled direct to more than 160 foreign countries, totalled 369m. Overseas

tariffs are among the lowest in the world and the UK is a major telecommunications centre for multinational companies operating in Europe. About 2,500 BT staff are engaged in research and development, but the company does little manufacturing.

Countdown for the biggest share sale ever



works, will replace coovenworks, will replace cooven-tional telephone traffic as the main source of the organisa-tra's revenues.

BT's ambitions also extend rights issue in 1981, the largest shara sale in the UK to date. Even the \$1.4bn raised by American Telephona & Telegraph in 1971—the blggest U.S. issue—pales by comparison.

werseas, where it is already scouting for possible acquisi-tions and joint ventures. "We're in an international business and have not to be parochial," says Mr Colin Crook, managing director of BT Enterprises, which is responsible for sales of equip-ment and competitive network services. "We have to be as at home in Silicon Valley and on the Stanford University campus in California as we are up in Cambridge or down the M4 motorway."

Such visions mostly remain to

be fulfilled. Yet BT, under a revamped top management, bas started to tackle some of its most glaring shortcomings and is displaying increased commerciel aggressiveness. One example is in the rapid-fire introduction and robust marketing of an array of advanced new business services such as videobecome a growth performer? And what will be the impact of private ownership on BT's sub-scribers and the rest of the conferencing, high-speed data circuits and electronic mail.

A biltz on telephone installa-tions has cut the waiting list from more than 200,000 to less whelming advantage—unrival-led dominance over the U.K. telecommunications market. Though its legal monopoly has been dismantled over the past than 2,000 in the past three years, And a new service monitoring system, imported from the U.S., is being used to root out problems such as cracking circuits. Though BT's business customers still grumble, many threa years, its business bas been barely dented by com-petition. In some fields, notably certain types of subscriber apagree that it is trying harder. Some of its muscle-flexing. nowever, is proving controveryear.
The image which BT's mansial. Its proposal to team up with IBM, the world's largest computer manufacturer. launch a sophisticated data netpoised on the threshold of a technological revolution, alive

The proposed link poses an awkward test for Government telecommunications policy,

George Jefferson was brought in from British Aerospace, BT's structure and operating meth-ods bad changed little since the 1930s. Administered by engineers with an ingrained rule-book mentality and tied to Whitehall's apron strings, it lacked even the most rudimentary management and financial controls. "Had you asked me six months after I joined whet my position was, I might—in my more extreme moments— have said a state of shock," Sir

George recalls.

Since then, BT has been plunged into a turmoil of internal reorganization. The principal thrust has been to break down its monolithic structure into manageable business units, instal competent managers and give them free rein to run their affairs on a commercial footing.

A board shake-up has brought

in a new team with a wide range of outside business experience. Only eight of its 11 executive members were with BT before it was split from the Post other

into exercising just the kind office in 1979. Senior manageof commercial initiative which ment has also been strengthhas led it to join forces with ened by external recruitment.

Plans to modernise BT's public network—one of the most antiquated in Western in four Parities of the most antiquated in Western in four Parities of the most antiquated in Western in the four Parities of the most antiquated in Western in the four parities of the most antiquated in Western in the four parities of the most antiquated in Western in the four parities of the most antiquated in Western in the four parities of the most antiquated in Western in the four parities of the most antiquated in the m

Europe - have been stepped up and orders for System X elec-tronic exchanges bava been sharply accelerated, BT's regional organisation is also regional organisation is also being radically restructured. The pace of change seems unlikely to slecken for some time. During the next 18 months, BT will undergo a further sbake-up as it starts to implement a sweeping programme to computerise its bankered controller. haphazard customer records system, with important implications for employment and work-

ing practices.
Its management is still striving, too, to gain a grip on basle financial information about its operations. In spite of a crash programme to instal modern accounting systems, it will not be able to provide in the flotation prospectus more than the rather notional breakdown of segmental profits which it has published in past annual

In the rush to reorganise,

The split between the respon sibilities of central headquarters and the newly-devolved business units is not always clear, while precise demarcation lines

between some of the main operating divisions are still being drawn up. Some industry experts 250 believe that in its zeal to decentralise decision - making, BT has not paid enough atten-tion to developing a coherent overall strategy for longer-term business development. "So far, it's been largely a policy of management by energy and let a thousand flowers bloom," says

BT managers admit that the new arrangements will take time to settle down. But they point out that baving to prepare for the flotation bas added an for the flotation bas added an extra burden to the already demanding task of equipping BT to cope with the loss of its monopoly. Moreover, much of their planning bad to be carried out amid uncertainty about the

eventual terms of privatisation and the regulatory regime to which they would be subjected. BT has none the less manoeuvred skilfully in nego-

tiations on these issues with

commercial freedom. Such concerns, however, lie may not have to be faced for several years. Right now, the eyes of Government, its founcial advisors and BT's board are firmly fixed on a borizon which is only weeks

AWSY.

This is the first in a teries which looks closely at the way in which BT is changing. The next atticle on BT management, will be an Wednesday's Management Page.

protests from much of the UK Annual expenditure on fixed electronics industry. Other com-Fixed assets panies complain that it will be bard to compete against the combined weight of two such powerful partners. of a future when electronic in-formation services, transmitted ironically, has been to joit BT

New friends for **Mickey Mouse**

Watch out Minnie, Mickey Mouse has found a new friend. His name is Sid Bass, the 42-year old leader of the bugely wealthy Bass brothers Texas clan which now owns a 24.83 per cent chunk of Walt Disney prodoctions worth around \$460m.

Sid, is the eldest son of Perry Richardson Bass, 69, the ol-man and former Ted Turner sailing partner who founded the family fortune "wildcatting" with his uncle, Sid Richardson, in the 1930s.

Sid broke with family tradi-tion by speaking publicly about the Disney stake. He essured Disney's new manage-meot team, which tha Bass brothers are widely believed to bave helped instal, that no further Disney stock purchases are foreseen and added "we bave no interest in participat-ing in the day to day operations

The move appeared designed to allay fears that the Bass boys planned to use the Disney stake they have amassed during a bitter six-month long battla between the entertainment group's management and string of would-be suitors and stock speculators including Saul Steinberg. Ivan Boesky and Irwin Jacobs for anything other than friendly investment purposes

That Sid felt the statement was necessary at all says a lot about the fear the "Brothers from Texas" sometimes strike into management hearts. Earlier this year, after one of their many celebrated and profitable forays, Texaco bought Sid an dhis brothers Edward, aged 38. Robert 36, and Lee 28, have built e formidable business

empire through a web of cor-porate entities. They control the empire from their down-town Fort Worth beadquarters.

if the rest of the company is

Men and Matters



" I've seen it at Bournemouth, Blackpool, Brighton and a different person wins every

or their relationsblus with each other. Their stake in the west coast entertainments empire has re-stored a certain caim to the

The prospect of retirement out a 9.9 per cent stake in the oll giant built up by the Bass brothers for \$1.28bn including a \$400m "greemail" premium.

City Investing. The \$6bn a year concern is selling its manufacturing and printing businesses for \$1.25bn, leaving it with a package of insurance, food services, and motel interests.

The bassie of scrapping their existing boilers.

"If I don't do it now I fear I will regret it," he says. Burstling with new ideas for the future, he elso wants to resavour the insecurity.

strife-torn Disney organisation.
But some observers are already
asking bow long the honeymoon will last.

Final solution

liquidated within a year — and tha proceeds distributed to

But, as Scharffenberger, aged 55, says, "Liquidation means thera must be nothing left. So, if the plan goes through, I sup-pose I look for another job." He admits be does not need to work — his 500,000 City Investing shares alone are worth \$20m — but he cannot imagine not working — 'I have three unremunerative if absorbing bobbies to support." ing hobbies, to support The creator of the company

in its present form, Scarffenberger says that taking it all to pieces was a difficult decision but one that had to be made on behalf of shareholders.

Hot associations

After managing one of the most unusual industrial companies in the UK, Alan Tweedale bas decided, at the age of 50, to become his own boss. For tha past seven years, he has been chief executive of Associated Heat Services, the Wimbledon-based coocern which specialises in stoking other companies boilers. With the blessing of former

National Coal Board chief, Lord Ezra, who is now chairman of Associated Heat. Tweedale is setting up his own company, Energy Components, to manufacture equipment used by the fastest growing part of Associated Heat, which last year bed a £39m turnover.

These are mobile additional boilers for companies wanting to switch lo solid fuel without the bassle of scrapping their

wrote in Pravda the Soviet But East Germans might be less party paper, that he would "not allow eny concessions" to Bonn in conducting inter-German recome and go.

Their stockholdings alone are believed to be worth over U.S. tax laws Glty cao avoid was formed in the mid-1960s at being taxed on the substantial in conducting inter-German recome and go.

some of the industrial market from the tidal wave of cheap Middle East Oil.
Like the NCB (which last year

sold its remaining 30 per cent sbare in Associated Heat) it has lived to see many oil burning companies return to coal Despite the current strike Tweedala is confident this will continue and wants some of the accompanying business for himself.

Culinary Thesis

A silver spoon is not the only ticket to prosperity, claimed Welsh secretary Nicholas Edwards during his visit to Tokyo, A stainless steel knife and fork will do just as well.

Edwards adopted this improbable culinary thesis in Tokyo where he was singing the viruses of the valleys to notential where he was stigning the vir-tues of the valleys to potential and actual Japanese investors. One company which he visited, Matsushita, told him that staff at its Cardiff plant were loading components on to circuit boards faster than staff doing the same

job in Tokyo.

Matsushita's explanation for this phenomenon: Tokyo staff eating with chopsticks, develop digital skills in only one hand. Cardiff staff equipped with occidental knife and fork, bave acquired a degree of ambidex-

Cats crop

Uncheckable stories from China always raise doubts in my suspicious mind. But the New China

News Agency stakes its reputa-tion on this ooe.

China's first cat farmer is re-ported to be thriving as he provides logistical support for a national campaign against rats.
Since opening his cattery last
year former teacher Liu Guocheng, aged 22, bas sold 2,400
animals for ratting, for pers,
and—dare I report this—for delicacies at the dinner table. China has been badly plagued by rats, since the number of

cats fell during so-called cul-tural revolution of the 1960s. Food was short for cats and bumans alike then.

Ubserver

Whitehall. It has successfully fought off earlier Government proposals to sell it off in piece secured an acceptable capital operating licence which appears seriously to com-its commercial promise freedom

freedom.

For the foreseeable future, a privatised BT will face two principal curbs. One, Oftel—the authority created to regulate the telecommunications market—is largely an unknown quantity. It begins life with a modest staff of about 50, and much may depend on the personal determination and independence of its director general, former accountancy professor Bryan Carsberg.

Brvan Carsberg.

The second restraint is the "HPI-X" formula which will require BT for the next five years to hold tariffs for most of its inland public network services to an average of three percentage points below the retail price index.

The formula covers less than 60 per cent of BT's turnover and 60 per cent of BT's turnover and will allow it to continue raising charges for unprofitable residential service faster than for jucrative long-distance traffic. BT insists that such "rebalancing" is essential to meet the challenge of competition on its money-making routes.

its money-making routes.

The Government argues that the "RPI-X" arrangement will, unlike the regulatory mechanisms in use in the U.S., encourage BT to improve productivity and efficiency by cutting costs. How real that in-centive turns out to be remains

to be seen. BT reduced real unit costs by 5.8 per cent last year and says it is on course to reduce its staff by 15.000 in the three years to next March, mainly by attrition. However, managers conceda privately that it has some way to go to match the manning levels of leading U.S. telephone

companies.

Stiffer competition could provide an added stimulus, but serious home-grown rivals have yet to develop. Mercury, tha privately financed network venture, is still struggling to get off the ground, and the Government has pledged to dionne no other public communications carriers until 1990, in equipment markets, BT's huge purchasing nower gives it strong chasing power gives it strong leverage over the main UK manufacturers.

Ironically, absence of com-petition could turn out to be BT's Achilles heel in the longer term. Senior managers are keenly aware that it it chaps too tenaciously to its farmer monopoly position, political pressures may mount for tougher regulatory carbs on its

IMPORTANT NOTICE TO HOLDERS OF 4%% CONVERTIBLE DEBENTURES OF AM INTERNATIONAL, INC.

This Notice is to advise holders of 44% Convertible Debentures due 1988 of AM International, Inc. ("AMI"), formerly Addressograph-Multigraph Corporation, of the procedures for sur-rendering their debentures in order to receive the distributions due them under AMI's Plan of Reorganization (the "Plan"). The Plan was confirmed by an Order of the United States Bankruptcy Court for the Northern District of Illinois, Eastern Bankruptcy Court for the Northern District of Illinois, Eastern Division, dated September 11, 1984. The Plan provides that bolders of AMI's Convertible Debentures will receive distributions of cash and new common stock of AMI upon surrender of the Convertible Debentures and delivery of a Letter of Transmittal to the Disbursing Agent under the Plan, State Street Bank and Trust Company ("State Street Bank"). The form of the Letter of Transmittal may be obtained by writing to:

State Street Bank and Trust Company Corporate Stock Transfer Unit 145 Newport Avenue, Five East No. Quincy, Massachusetts 02171

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No distribution under the Plan will be made to a holder of AMI's 44% Convertible Debentures until the debenture certificale, accompanied by the Letter of Transmittal, is delivered to State Street Bank in accordance with the instructions set forth in the Letter of Transmittal.

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AFTER THE summer lull Europe's defence debate is once more gaining momentum. Last week despite the apparent lessons of its 1983 electoral defeat, the opposition Labour defeat, the opposition Labour Party world for undisteral nuclear disarrament and the ejection of American nuclear bases from Britain. On the same day, in a widely-reported speech, Mr Michael Hesekine, UK Defence Secretary, called for much greater European collaboration in arms procurement, even if it causes pain to some entrenciped national interests and traditions. And in three weeks' time in Rome, foreign and defence ministers from seven European countries bold their first-ever joint meeting of their first-ever joint meeting of the Western European Union Treaty Organisation, to see what can be done to strengthen the European end of the Atlantic Alliance.
As of this moment, it is

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Silvery.

As of this moment, it is beginning to look rather doubtful that the Rome meeting will advance the debate very much. At the previous meeting of WEU, in Paris in June, the governments agreed to fable some precise proposals for future action, but so far nothing very useful has been received at the Council headquarters in London. That is not to say that even a clightly vacuous Rome meeting would be without significance: the mere fact of gathering 14 European ministers together to discuss the probtogether to discuss the prob-lems of European security will be, by itself, a symbolic political act sending a message to Washington (among other places) that their governments recognise the seriousness of the problem, even if they have no neat blue-print for dealing with

If the WEU meeting does turn out to be a half-baked affair, many people will offer an institutional explanation: if

A league table of European

tions, like those of Nato. has made substantial progress In fact, there are nit picking in the last decade, and discusarguments against any and sions have on some recent every existing forum. Western occasions lurched daringly into European Union was created 30 the grey area between foreign European Union was created 30 the grey area between foreign years ago this month by France, Britzen and the Benehus countries as a vahicle through which Germany and Italy could be readmitted to the Western tommunity and loin Nato; but objections from the Jish, who are in Nato, and has ever since been Nato but who take a minimalist



Dr Manfred Worner (far left), the German Defence Minister, and Mr Michael Heseltine, bis British counterpart, visiting Nato's "Lionheart" war-games in West Germany last month

Foreign affairs: defence collaboration

Why nit-picking is not enough

By Ian Davidson

place to talk about European defence, for two reasons; first, no one wants to undermine the Atlantic Alliance and upset the it may easily be deduced, are Americans, and second, there merely a smokescreen. The real intensity

policy and defence, even though defence is well outside the official competence of the Rome Dutch prefer the cosy these jurchings come up against the chiefficial competence of the Rome Dutch prefer the cosy familiarity of Nato, in case any these jurchings come up against European revisionism should allocate familiarity of Nato, in case any the competence familiari

The second of th

there a real case, ask the nunity — and of their obligations in Nato, if it comes to that; and from the Greeks, who nato would seem the ohvions place to talk about European take a minimalist view of almost everything except their hostility to the Turks.

These institutional debates,

problem is not where you meet, hut whether you can agree on the seriousness of the European defence issue and the reason for meeting at all. Here, there is a clear league table of intensity. The French and Geris not the right forum to most and, for misplaced reasons of the first well and for misplaced reasons of membership:

As the wrong membership: without France there can be others that its reactivation no meaningful discussion of would represent bureaucratic European defence.

Foreign policy co-ordination subject. The British Governmentences of other institution and certain man governments both believe as they without France there can be is a high priority, and for two meaningful discussion of years they have been bolding wide-ranging discussions on the subject to the discussion of the major competences of other institutions are described in the foreign policy co-ordination ment thinks there may be something in the idea (ride Mental and the content of the content thing in the Idea (vide Mr Heseltine's support for arms collaboration), but is worried about upsetting the Americans and sceptical of any philosoexpose the political divisions which constrain their Nato

commitments.
On balance, then, most Euro-

comfortable with marginal modifications of the status quo than with anything which risked upsetting the apple-cart. A characteristic view, as exemplified in the Heseltine speech, is that one of the pur-poses of a European get-together is to persuade the Americans that the Europeans

really are pulling their weight in the Alliance; not to pull stronger, but to mount a sales campaign. Now there may be a sbort term advantage in a sales campaign. But there are structural reasons why more will he required.

Some of these reasons are set out at length in a forthcoming article in International Affairs by the director of Chatham House and three of his colleagues. But they can be subsumed under three broad headings.

The first beading is the

general commitment of the U.S. to the defence of western Europe. European countries us permanently; but given the in Europe in increasing defacts of history and geography, this has always been a questionable assumption. For well over an effective conventional determent. Indeed, so far as I am

expected to defend rich Europeans against poor Russians, and the question is once again becoming insistent, with the Nunn-Cohen moves in Congress to reduce U.S. troops in Europe if the Europeans do not step up their own defence efforts.

Europeans to conduct a salescampaign: to point out that during the 1970s, European defence spending was rising own defence. These arguments changed. will count for little if the pres-sures of the budget deficit compel the Americans to review their European commitments.

The second general heading la the nuclear problem: given the conventional imbalance of forces in Europe, Nato depends on the threat to use nuclear weapons as its ultimate deterweapons as its unimate deter-rent to Soviet aggression, and in the last resort Europe's security is beld to depend on the guarantee of strategic nuclear weapons in the U.S. Unfortunately, nuclear parity between the superpowers has

cast serious doubts on the credibility of that guarantee as a deterrent, and detailed examination of what might follow a failure of deterrence has cast even more serious doubt on the controllability or limit-ability of nuclear war short of Armageddon.

These doubts explain why General Bernard Rogers, Nato's top general, has been joined hy so many authoritative figures on both sides of the Atlantic in calling for stronger conventional defences, so as to reduce Nato's dependence on nuclear weapons. Since there is little or no prospect that European governments will increase defence spending on the scale demanded hy General Rogers, the doubts also explain Michael Heseltine's advocacy of arms collaboration and standardisation: with existing financial input, European cooperation ought to produce more cost-effective military output.

But the nuclear doubts also explain the third structural problem: the breakdown in the political consensus on defence posture, exemplified by the veering of the SPD and the rise of the Greens in Germany, and by last week's Labour Party vote for unilateralism in

Needless to say, the transparent hypocrisy of the Labour Party does not begin to solve the nuclear problem: unilateralism would not make Britain safe from nuclear war, and nobave long hased their defence one imagines for a second that policies on the assumption that a future Labour government the Americans would be with would join Britain's partners us permanently; but given the facts of history and geography, fence spending so as to provide this has always been a questionable assumption. For well over rept indeed so far as I am

a decade. Americans have been aware, the word "Europe" not once mentioned in the party's defence debate. On the other hand,

European governments have and will continue to have, difficulty in persuading their elec-torates that the existing defence p their own defence efforts.

It is all very well for the the well meeting will no curopeans to conduct a sales doubt publish a self-congratuampaign: to point out that latory declaration, but this is unlikely to impress voters if they believe that existing arwhen U.S. spending was falling. rangements, and therefore ex-or to claim that Europe pro-isting structural problems, are vides most of the forces for its to remain essentially un-

Now arms collaboration and standardisation is a fine cause; it may impress the U.S. Congress, and it might make some contribution to reducing de-pendence on nuclear weapons; but it is a racing certainty that a bit more of it will not restora political consensus in Europe, A political problem requires a more political solution than that.

What that political solution should be cannot be neatly defined. But it is probably significant that France, whose Gaullist defence policy was originally anti-American, and whose nuclear weapons are not even ootionally assigned to Nato, la also the only member of the Alliance not to suffer from a significant anti-nucear protest movement. Moreover, it is clear that the rise of the protest movements in other countries has been motivated these by anxieties over dependent. tess by anxieties over depen-dence on nuclear weapona aa such—in the 1970s these movements were negligible than hy anxieties over Europe's dependence on an Americao President whose policies it distrusts.

It is probable, therefore, that popular consensus will not be restored unless Eourpean voters can come to helieve that

Breakdown in the political consensus

their governments are playing a bigger role in the political management of the security of the Alliance. This can only come about if European governments, starting with the irreducible core-group of France, Germany and Britain, take a strategic political designation of the core of the co take a strategic political deci-sion to put a much higher priority on the development of common positions on defence and security issues. So far, only the French and

Germans seem to be thinking in these terms. The British, who have mishandled their strategic relationship to Europe so many times in the past seem determined to marginalise themselves once more, dither-ing between a sort of sub-Gaullism and a traditional Nato-oriented immobilism.

Lombard

Time to channel our energies

By Nicholas Colchester

their lnability to do anything about mounting unemployment. about mounting unemployment. There are 2.3m jobless in France and the country's industrial abake-out has been late in starting and has some way to run. Several years of vigoroua shaking have created 3.3m unemployed in the UK but the long-awaited pricing-into-jobs stubbornly refuses to manifest itseli.

A cross-channel link is, of course, no solution to this prob-lem in terms of the number of jobs it would create. But British ministers should not ignore the psychological importance of a decision of this sort. There has to be a positive side to the Government's vision. There has to be a feeling in the air that more than a scorched-earth policy is being pursued, if private enterprise is to exploit the more flexible attitudes and more realistic expectations that bave been so painfully wrought.

Fiscally responsible Infrastructure projects, vigorously pursued, have an impact far beyond their cash value; witness French pride at the success of the Train a Grand Vitesse that now links Paris with the south of France.

The channel link suffers as The channel kink suffers as many handicaps in Whitehall. It has been discussed and tinkered with and ahelved for too long. There is sublimal resistance to the idea of physically linking the UK to the continent. There is the stigma attached to public works as a form of economic stimulus. There has been such a total conditioning to the view of conditioning to the view of Government as a source of waste that it is now heresy to consider the idea of Government as entrepreceur.

The result is a sterile standoff. The Government insists that the British private sector should decide what sort of link it is willing to finance, and get on with it. The private sector

THE MOMENT for the cross- insists that it needs a plethora Channel link has surely arrived. of promises from the govern-In both Britain and France ments of both Britain and ministers sit sweaty-palmed in France hefore it feels enough of a free agent to take the Yet it is hypocrisy to claim

that a channel link could ever get under way without the active participation of both governments. Imagine where the M25 motorway would be today if it had been the hrain-child of a private consortium. The Channel project will be of auch a scale that many policy areas of government will be affected by it — monetary, regional, competition, environ-mental, industrial, transport, and defence. It is perfectly possible to devise financing schemes that involve a substan-tial degree of private risk and reward, hut the governments are going to have to take the

In doing ao they should identify the most ambitious project that seems economically justifiable. Surely, when the vast majority of the 20m people and 18m toos of freight crossing the Channel every year hase their voyages on road vehicles, the solution must include a direct road link? A detailed study by five major banks earlier this year sug-gested that a road link would be the most profitable option hut baulked at the technical risks and the scale of the pro-ject involved. This sounds just the ticket to hoost the jaded economic spirit of both nations. The Euroroute bridge-tunnel version involves an estimated cost of around £2.5hn for each country and half-a-million manyears of work split between the two, with a great deal going to steelworks and sbipyards. By comparison, Concorde cost each comparison, Concorde cost each Government roughly £1hn and unemployment will cost the British Government roughly £15hn this year. Mrs Thatcher needs to find a big gesture and the French President's forthcoming state visit to London could provide the occasion.

Premium refund on death

From Mr P. W. Wright

Sir, Mr Richer in his letter of September 29 has questioned the practice of the UK life assurance industry in not providing a proportionate premium refund on death, where premiums are payable annually. I can assure him that full allowance for this is made when set-ting the premium rates and hence life offices are not un-fairly earning anything them-selves by this arrangement.

The analogy made with selling your house is not valid as this would be equivalent to surrender walke should include allowance for the fact that a full year's premium has been paid. The proper comparison is with the case of a house which is burnt to the ground. In this event the insurance company would pay out the sum insured but would not give any refund of premium.

P. W. Wright.

P. W. Wright. Department Manager, -UK Life Products, Prudential Assurance Company, 142 Holborn Bors, EC1.

Index-linked gilts' interest delays From Mr Keith Tunstall

Sir. In the article on index-linked gilts (September 29). Clive Wolman stated that the RPI measurement was applied with an eight-month lag for with an eight-month lag "for administrative and not entirely convincing reasons." May I suggest a necessary technical reason? Gilts are quoted either inclusive of accrued interest, or subject to an appropriate adjustment. Accruing interest must therefore be determinable. The fixed coupon of a conventional stock presents no problem, but interest on an indeximated fense is by its nature. linked issue is, by its nature, variable. Indexation e ig b t mouths in arrears enables interest accruing to the next payment date to be calculated precisely. This eight-month delay does not nacessarily dis-advantage the investor as Mr Wolman rightly pointed out. Keith Tunstall. 39, Grove Street,

Reform of

Leanington Spa, Warwickshire

Letters to the Editor

Are we really to expect that if a local anthority gains the monopoly of all local services. it will become more efficient? Arguably, at present, local authorities can be inefficient because of the monopoly they already hold over local services.

need to consider not only which services are appropriately supplied by local government, but also the extent, if any, to which these services should be supplied. Messrs Travers and Burgess imply these latter questions, but not the primary question.

An important consideration should be whether local authorities are the best organizations to provide local services, in part or in full. It is likely that no general answer will be found, except on ideolo-gical bases. Instead individual consideration is necessary, and the opportunity to enable local performance, rather than ideo-logical prejudice, to determine the answer, even if this means variety locally in the organisations providing services.

It is desirable to ask if voluntary organisations should be encouraged as service providers; modelled, say, on housing associations, and monitored in a comparable way to that presently used for housing associations. Such bodles are unlikely to fully replace local authorities; their importance is that they provide alternatives locally.

locally.

Local authorities have been frequently condemned for providing bousing which is unacceptable to tenants (and sometimes to magistrates), and inadequately managed. Not all local authorities can be so castigated. But should we base the full provision of public housing as an example, an a system which equally rewards the successful and unsuccessful local

anthorities? Without competing providers, tenants face a spatial lottery as to the adequacy of their land-lords, and prospective tenants of a spatial lottery in terms of local government reform Messrs Travers and Burgess (October 2) show an untested faith in the value of spatial managely. That is, an untested faith that where one local authority supplies all local services to an insuch an area. Is this supplies all local services t Without competing providers.

area, it is likely to be efficient | a desirable hasis for public services? Clearly, housing associations

as a model (there are other models too), are non-elected hodies, but monitored in the interests of public policy. Being non-elected they may be criticised as being unrepresentative. But two considerations are pertinent here. Firstly, the mechanisms of party selection and local government elections hardly provide the assurance in practice of representative local councils. Secondly, representa-tion may in part be effected through local delegation in management; speedy attention to repairs not only represents the tenant's views to his landlord, but shows that the landlord listens and acts. Housing associations generally have a comparatively good reputation on repairs

Housing associations, to con-Housing associations, to continue our example, have been organised in part to avoid the evident weaknesses of local government; particularly to avoid the lack of delegated responsibility, and remoteness in management. As such, associations have benefited in learning from local authority failures. Their management compaltees of unpaid persons contribute expertise freely. In contrast, most newly elected contrast, most newly elected local authority members lack expertise on local government programmes, and similarly lack external standards of comparisons. son. Housing associations succeed or fall by their actions; in contrast, local authorities do not fail, other than in na-

popularity. Travers and Burgess assert that local government will not survive without reform. Part of this reform may be to reduce the importance of local government in local service provision, and to replace this provision, in part, by voluntary bodies com-

Richard Prentice. Department of Geography, University College,

Bankruptcy and the banks

From Mr Colin Newhouse

Sir,—Mr Hodson's reply (October 3) does little to con-

ciation in their share values. Some companies continue to pay high dividends when the company cannot really afford these (as indicated by Inflation Accounting Principles) in order to make their shares that more attractive, although I do not say this occurred with the company in question. Having enjoyed these beoefits in the past, when the going becomes difficult it is suggested that these entrepreneurs seek the protection of ciation in their share values. preneurs seek the protection of the courts—who will protect the

2-Shareholders are always at liberty to sell their shares at any time providing a buyer can be found at an acceptable price before matters deteriorate to the extent that a receiver be appointed. In addition Trade creditors have the option not to supply further goods/services at any time and to shorten credit terms which I admit probable exacerbates the company's situation

3—Assuming that Mr Hod-son's suggestion found favour, who would be the arhitrator when presumably those best qualified to make such an assessment have already done so by declining to assist further or refusing to assist in the first place?

4—Bank borrowing is generally repayable "on demand" and the company directors actand the company directors actions on behalf of the share-holders presumably initially accepted this arrangement. Com-pany fortunes do not deterior-ate overnight and neither is support withdrawn at short notice. Companies can hardly call "foul" when asked to honour their agreements.
Furthermore, often the directors officially ask the banks to appoint a receiver under the terms of their debentures.

5-Preference abares would not be attractive as this would simply mean that in the event of a subsequent liquidation before the redemption date, the bank's equity (previously secured) would be depleted by payments to preferential and trade creditors (or are these then to be asked to convert to equity?) and the ordinary shareholders would still he left wanting.

6-UK hanks, of course, take equity stakes in companies and if I accept that this happens on the Continent as a result of converted deht, are they taking, say, £40-£50m at a time? (The issued share capital of the company in question was only £20m.)

In conclusion, I suppose many things will elude me on life's journey, hut one maxim learned and recalled springs to mind "If you can't afford to lose—don't gamble." Mr Hodson's suggesmerits and I believe indicates tioo would have merits only if where his true interests lie. If his interest was in saving I may make the following employment and the Government took the equity, but that's



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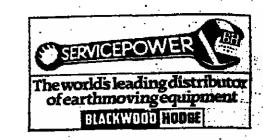
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FINANCIAL TIMES

Monday October 8 1984



Terry Byland on Wall Street

Knee-jerk reactions to banks

IT WAS not a bappy week for banking stocks. The upset at First Chicago attracted most of the attention, but shares in the large money cen-tre banks were already on the slide as sector analysts began their final countdowns ahead of the round of third-quarter results due over the

Nevertheless, First Chicago's write-off and loss prediction caught the sector off balance. By the end of the week, when the money centre stocks were showing falls of 7 or 8 per cent against a decline of only 2 per cent in the Dow Jones industrial average, it was not easy to disen-tangle the market's underlying opinion from its knee-jerk reaction to the bad news from Chicago.

After falling smartly on the First shares rallied on Thursday, heartened by the absence of any sign of a "flight to quality" in the credit mar-

First Chicago's problems, ran the refrain from some banking analysts, were "very specific to it" and the market was "overreacting." Those same analysts, however, were more cautious in their opinions at the end of the week, after First Chicago had pointed out that other large banks were also involved in some of the 10 hig loans which had brought on its problems.

The comment from the board of First Chicago that some of these other, unnamed banks could also be forced to take charge-offs on these same loans, was quickly echoed on Wall Street. As Mr Geoff Cohn of Drexel Burnham Lambert pointed out "We do not know how good their loan monitoring systems may be, or whether the Comptroller of the Currency has yet notified

Bank stocks quickly resumed their downward trend on Friday and the week ended with losses in stock prices throughout the sector. The implications of last week's developments may not be restricted to those banks involved with First Chicago's batch of troublesome

loans in the U.S. sugar, energy and agricultural sectors. They have cast a cloud over the full range of domestic loan portfolios of the banks, as well as introducing doubts over a large loan to a Saudi Arabian con-

These new doubts took shape, unfortunately for the bank stock sec tor, just when some analysts were running their tape measures over the existing portfolios and assessing the success of the bankers in dragging in the arrears in interest payments from reluctant payers.

Wall Street bas grown accustomed to bearing the banks report proudly on their success in chasing up the bad payers just in time for the quarterly deadline. But Mr Laurence Cohn of Dean

Witter unnerved the stock market by reporting that Citicorp, traditionally the most aggressive of the debt collectors, has run into strong resistance from the debtors this time. He believes that Citicorp has

pulled in only about 5 per cent of the interest payments due on nonperforming loans, compared with its normal success rate of 10 to 12 per cent. Of course, most nonperforming loans are eventually naid up and the banks are at present accustomed to collecting only 3 to 4 per cent of payments due. If Citicorp's success rate has been halved, bowever, what does that mean for the rest of the industry?

Dean Witter's Mr Cohn telephoned clients last week to say be was reducing his forecast for Citicorp's third-quarter earnings to \$1.50 a share and for the full year to

If the banks are facing problems with their domestic loans and, at the same time, finding it hard to obtain payments on their existing non-performers, then the thirdquarter results could bring some

easty surprises.
Wall Street is bracing itself for increased loan loss provisions all round and it will not deal lightly with banks which prefer to boost earnings by failing to make suitable

U.S. prices, Pages 24-27

Gromyko raps U.S. on arms talks

volves the big concentration of GM increased wages and pension provi-plants in Flint and Pontiac in Michi-sions.

MR ANDREI GROMYKO, the So- gin negotiations on preventing nu- visit West Germany because of Soconduct an "honest, open dialogue" with Washington on curbing nu-"genuine interest" in limiting the

Mr Gromyko, speaking at the 35th anniverary celehrations in East Germany at the weekend, his first speech since he met President Ronald Reagan last month, said that time would tell if Washington was prepared to make any positive

changes in its policies.

The U.S., be said, had reacted ne-The U.S., be said, had reacted ne- only mildly critical of West Ger- and East Berlin and the unresolved gatively to Moscow's proposal to be- many. He was recently unable to fate of nearly 100 East Germans

MR OWEN BIEBER, president of

the United Auto Workers union of

the U.S., has delivered a strong

warning to his members in General

Motors that they face the prospect of an all-out strike if they fail to rat-ify the recently concluded wages

His statement, which came as crucial votes on the agreement got

under way, was seen as an attempt

to rally rank-and-file membership

in the face of strong opposition to

He insisted at a press conference

that the deal was a "good"one. If it were not ratified, he added, he

would call the GM workforce out on

strike rather than go back to man-

The UAW has not given figures for voting so far, on the new con-

tract, which must be ratified by

Sunday. But the indications are

that polling has been very close,

with the number of members in fa-

your of the deal only slightly ahead.

BY DAVID MARSH IN PARIS

iting from steadier foreign confi-dence in the franc, has already set a

Last week's news that France is

the nominal 25 per cent withholding

tax on non-residents' bond pur-

chases helped to keep up the mar-ket's good spirits. State bond yields

fell by about 0.4 points during the week to 11.5 per cent on Friday,

with dealers reporting a rush of de-

mand and all too little available pa-per to satisfy investors' appetites.

Amid an upsurge in foreign insti-

tutional demand in recent weeks,

banks have been lobbying the Trea-

sury to reopen the relatively unreg-ulated Eurofranc bond sector,

which has seen no new offering for

The Treasury, aware that a move

to allow Eurofranc issues (for the first time since the Socialist Gov-

agement and try to renegotiate.

the contract in some plants.

viet Foreign Minister, said yester-day that Moscow was prepared to trying to "conceal with all means" its refusal to ban such weapons.

> Mr Gromyko also made a sharp attack on West Germany, warning that Bonn was aiming to eliminate East Germany and was calling into doubt the territorial realities in Europe. Bonn wanted to end the Socialist order in East Germany and incorporate the country into West Germany, he said.

By comparison, Herr Erich Honecker, East Germany's leader, was

to accept deal or face strike

gan, some of which are noted for their militancy.

ment is centred on widened differ-

entials that will give skilled work-

the first year of the contract against

only 1 per cent for employees at the

This is regarded as a radical step in wage bargaining in the U.S., where the trend has been to reduce

differentials. But it is proving diffi-

'cult to sell to the workforce because

the bulk of employees in the beavi-ly organised assembly plants would

be receiving increases of about 2

per cent in basic wages or even less.

nadian plants, where it is trying to

negotiate a similar agreement to the U.S. contract. The local branch

of the UAW insists that it will not

accept the U.S. differential pattern

and is also asking for a reduced

cation line between the Euro and

domestic sector will now be nar-

tax was not payable anyway on state bond issues, while double tax-

ation agreements with leading in-

vesting nations in Europe and the

Middle East reduced the net rate of

imposition in many cases to be-

The psychological effect of its

removal might, dealers say, encourage U.S. pension funds to take a

closer look at the French market in

their efforts to diversify. By chance,

last week a visiting group of U.S.

fund managers was being feted by banks and companies in the Lyons

area anxious to attract U.S. invest-

Foreign demand had a clear im-

political milestone, is adopting a state bond issue, the third of the for the next three or four months.

wait-and-see attitude. A franc bor- year, raised to FFr 20bn from the Int'l Capital Markets, Page 17, 18

tween 5 and 15 per cent.

Tax fillip for French bonds

Voting over the weekend will be crucial to the outcome, since it inworking week of 37% hours on the crucial to the outcome, since it inWest German pattern, along with

new issue record for 1984 with three Euro-issue or a standard domestic

joining West Germany in ending rowed. Previously, the 25 per cent

ernment took power) would mark a pact on the success of the latest

GM also faces problems in its Ca-

bottom end of the scale,

ers pay rises of about 3.5 per cent in

The main opposition to the agree-

viet opposition. Herr Honecker said there was no

"open" German question and that the sooner Bonn understood that there could be relations only of sovereignty and equality with East displayed the authority and stami-Germany, the better. The East Ger-na which have given his voice such man leader spoke of his country's "indestructible" alliance with the Soviet Union and, with Mr Gromyko, signed a 15-year technology. signed to tie East Germany more

closely to the Soviet Union.

Meanwhile, the UAW negotia-tions at Ford are scheduled to move

into higher gear this week with a

target for conclusion at midday on

Friday. Both sides say that talks

have gone well so far, and Ford made comprehensive new propos-

als last Friday which were under in-

The main feature of the negotia-

tions to emerge so far is that Ford

is fighting for a somewhat different agreement to that at GM, marking

a significant departure from the traditional system of very closely related contracts in the industry.

This means that, although Ford

may try to give guarantees on job security which are as effective as

those at GM, it will arrive at this

point hy a very different route. Ford

bas already made it clear, for exam-

nle that it will be unable to accept a

GM-type agreement on pensions,

tense discussion at the weekend.

Throughout the weekend in East Berlin the 75-year-old Mr Gromyko weight under the desultory leadership of Mr Chernenko.

He scowled as Herr Honecker spoke, stood ramrod straight as tens of thousands of young East Germans passed before them in torchlight procession and saluted throughout most of a 45-minute review of East German troops parad

UAW head urges GM members | France and \$5bn U.S.

By Bridget Bloom, Defence Correspondent, in London

The bids, to supply 25 divisions of the U.S. army with a new battlefield

Plessey, in conjunction with Rockwell International of the U.S., has put forward its Ptarmigan system, which is about to enter service with the British army. Thomson's system, known as Rita (Reseau Integre de Transmissions Automa-tiques) has been progressively de-ployed since 1982 with the French and Belgian armies, Thomson is in partnership with the U.S. company

bas been obtained by the present U.S. Administration, but there are issues for state and parastate bod-les (the latest FFr 5bn bond for inevitably fears in London and Pamonths of the year still to go.

New issues so far bave topped the
FFr 200bn mark, compared with volume of FFr 194bn in 1983, FFr
West Germany, still bas to be approximately the demandable of Kodak ris that the competition to supply the U.S. army could be put at risl either by political changes in the Pentagon after the American presi-dential election or by the powerful and Philips have recently raised U.S. defence industrial lobby.

Mr Michael Heseltine, the British Defence Secretary, has ordered the Ministry of Defence to give full sup port to the British bid, which also involves a number of other British companies in the supply of subsid

ally supports French industry in its arms export drive, but it is less usual for the British Government to attractively high - partly because of the Government's extreme caution

> Company officials are unwilling to disclose details of their bids, which will be negotiated into "best and final" offers over the next few companies have apparently found the U.S. specifications, particularly those requiring quotations in fixed dollar prices.

UK plans for market control

Continued from Page 1 ahead of the publication of the full White Paper (policy document) to-wards the end of November.

The intention is still that a major Financial Services Bill will be introduced in the 1985-86 session of parliament. This will cover not only the new statutory backing for the self-regulatory authorities but also a re-view of relevant aspects of the existing Protection of Fraud, Investment and Companies Act, covering

UK bid for army order

RIVAL BIDS for a U.S. army contract which could be worth more than \$5bn have been made by British and French telecommunications

communications system, were sub-mitted by consortia involving Ples-sey of the UK and Thomson CSF of France.

The army contract is believed to be the largest single U.S. military contract ever opened to foreign competition. Unusually, there is no U.S. manufactured battlefield communication system which is directly comparable to Ptarmigan or Rita.

THE FRENCH bond market, profiting from steadier foreign confidence in the franc, has already set a inot clear whether it would be a Along with the steady stream of Initial funding for the equipment

> funds in that area, where transactions generally are in the FFr 50m. Although the Government's budget deficit is clearly overshooting this year, the market's mood is still bullish. Portfolio managers' coffers have been swollen by large inflows

The French Government habitu-

months. The British and French difficulty in cooforming to some of

Background, Page 4

for example, company flotations.

The new authorities will be run by councils consisting both of practitioners and representatives of investors and policyholders and will

UK gas sales drive, Page 5

THE LEX COLUMN

Dividends make up for lost time

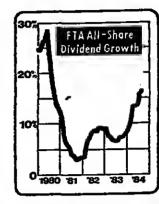
There are plenty of good tradi-tional reasons why one might expect the London equity market to have been feeling rather sorry for itself by now. There is, after all, a general expectation of slower economic growth in 1985. On the face of it this is an odd thing for the mar-ket to anticipate by pushing the All-Sbare upwards. Yet it has recovered almost exactly 15 per cent from its low point in July, a revival which seems to need at least a bit of explaining. One strong candidate for the role of missing link is the remarkable spurt of dividend growth, which has now been accelerating without pause for the last 12

Although dividend growth of about a tenth in 1984 might have seemed quite reasonable this time last year, the actual figure now looks more like reaching 18 per cent. And the value of that increase - which amounts to real income growth in double figures - is far greater than anything the market has seen for a decade. Last time there was a comparable pick-up, af-ter the removal of dividend controls in 1979, almost all of it was mopped up by inflation.

Income stream

Looking backwards, it is easy enough to see why institutions should be feeling more amiable towards their industrial investments quite apart from the fact that the ncreased dividends will make it a lot easier to pay for the compulsory tranches of Telecom, And the warm feelings are not entirely retrospec-tive: the managers of long-term funds and the finance directors of public companies both know that once a dividend bas been settled, only inflation or desperation can be allowed to cut its value. Still confident in a prospect of rather low in-flation, institutions can set a higher price on their boldings because, even assuming that nominal dividends benceforth rise no faster than prices, the discounted real value of the dividend stream has enormously increased.

As for justification of this year's sudden urge to distribute, things must also be looking fairly rosy from the finance directors' side of the fence. Of course, the increased liquidity of the company sector simplifies the task of arguing for any



cash rather than from purely national reserves it is a great deal harder to make a case for tightness.

And liquidity makes an indirect impact on the dividend thinking of boards who are not actually very liquid themselves; the threat of being taken over, for cash, has extorted quite a few abnormal dividend rises in the last few weeks.

In fairness to open-handed boards of directors, it must be said that defence against being taken over is not the only reason why they might decide to increase pay-ments this year. The reform of corporate taxes last March will have begun to reduce the problem of Advanced Corporation Tax, one of the longest-standing objections to paying out a higher proportion of earnings. As the rate of capital allowances drops, along with the mainstream tax rate, fewer companies will be able to plead that distributing their earnings is a tax-inefficient use of funds. As a much smaller slice of profits can be sheltered under allowances, the probability that ACI will remain unrelieved by mainstream earnings diminishes and so does ACT's status as a tax on

The point at which the tax system. is in future most likely to weigh upon dividend policy is when companies look at the difference between their own tax rate and the average tax paid by their shareholders. It is there that old arguments about the wastefulness of distributing dividends - particularly as a prelude to asking for new money by way of rights - will continue to bite. The balance of efficiency here could in desired size of payout; when you ister made up largely of supertaxed cent.

individuals would be a fairly good reason for retaining profits in the company, in the shareholders' best interests, whereas if the shares are mainly held by gross funds - capable of reinvesting the tax - the fiscal case for high retentions be-

comes at best marginal.

In a tax-free world, and one where it cost nothing to pay dividends or get rights issues underwritten, companies and investors alike might well be indifferent as to whether dividends were ever paid. The decisive question then should be whether the company could make better use of its funds than the shareholders, earning a higher rate of return than they can obtain elsewhere. And in sober reality, success in persuading the market that a company can achieve super-normal returns (at any rate by the standards of its sector) is one route to keeping its shares at a lower yield than the average.

Capital repayment

A similar argument suggests that companies whose object in life is to generate capital growth, rather than a flow of income, should offer to reward their shareholders mainly via the share price; property de-velopment companies, with little cash inflow – but large asset reali-sations in prospect – have a natural tendency to follow this line. At the opposite extreme, there are not a few companies that have generated cash by shrinking away from an un-profitable activity, for them it is on-ly common sense if an uncovered

son intermit

dividend is used to repay equity.

For the mass of companies, somewhere in between, it looks as if this year's higher dividends are being covered with a fair degree of comfort even in current cost terms (where these are still being disclosed). For 1985, even marginal growth in the economy should underwrite real dividend improve-ments of 5 per cent or so. Yet there: are signs, like rising unit wage costs, that climbing profitability may not after all the upheaval, have become a permanent feature of British industry. If so, it might be wiser not to inrecast perpetual growth in real dividends; surely it says something about the evolution of Scottish caution that even Wood Mackenzie has now replaced its long-run assumption of zero real growth with a more optimistic I per

Sleipner route accord sought

er to a resolution of the disputes that are holding up the signing of a chosen in exchange for Norway giv-£20bn (\$24.8bn) deal to supply the ing up a proportion of the tax reve-UK with gas from Norway's Sleip-nues to the UK.

At their regular annual meeting

whereby the Teesside route will be

However, Norwegian optimism The main obstacle to the deal is thet their solution will bring a an argument over the route to be speedy end to the dispute is not taken by the gas liquids contained shared by British officials. They rein the field. Norway wants them to gard such a deal as opening up travel by a Norwegian-owned pipe many fiscal and administrative line to Teesside in North-east England, while the UK wants ther: to have yet to tackle. Indeed, Mr Bugo by a UK pipeline to Flotta in chanan-Smith said at the weekend Orkney. At stake is about \$\colon{1}{200m}\$ of that he did not expect any agreement at the meeting.

ENERGY MINISTERS of Britain Mr Kaare Kristiansen will put to blocking agreement on the deal and Norway, meeting in London to-morrow, will attempt to come near-Buchanan-Smith, a compromise ish companies to orders on the Sliepner development project.

British Gas, the purchaser, and

to FFr 150m range.

into unit trusts.

base lending rates.

Real yields (with inflation now

down to around 7½ per cent) remain

in countenancing cuts in banks'

With the franc still steady against

the D-Mark after more than 18

months in the European Monetary

System without a realignment, the

ment community is that there will

be no undue currency risk at least

of the international invest-

Statoil, the field operator, have reached firm agreement on the revised commercial terms for the

These involve a payment of \$4.10 per million British thermal units (BTU) of gas. Peak supply of Sleipner gas in the late 1990 would be cubic metres rather than the 39bn to 42bn cu m called for in the original draft contract agreed in

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Congress shuns new trade curbs

Continued from Page 1

use subsidised natural resources in who were denied protection earlier a "sense of the Congress" resolution the manufacture of exports (a this year by the U.S. International was agreed which suggests that fair clause aimed at certain Mexican products); and to expand the scope of U.S. trade laws to make it easier to prove unfair trade in cases where they sell to the U.S.

A clause designed to make it easier to bring unfair trade cases against non-market economies, which was seen as aimed at China.

Trade Commission because their in- trade in steel would reduce imports dustry is profitable, won a conces- from the current 25 per cent market

stead of a 17 per cent target for imports' share of the domestic market, however, remains unclear.

sion that the profitability of an in- share to between 17 per cent and dustry is only one of several factors 20.2 per cent. But the industry is exporters are incorporating cheap to be taken into account in deter-dumped imports into the products mining injury in a trade suit. baving to pay a price for this con-dumped imports into the products that the steel industry overall (al-Efforts by the U.S. steel industry though not every individual compato secure new laws which would ny) reinvest its net cash flow from tighten up the protection which they won from President Reagan prove efficency and modernise falast month, were also fended off. In- cilities and to help retrain workers.



SECTION II - COMPANIES AND MARKETS **FINANCIAL TIMES**

Monday October 8 1984



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September 1984

Appeal of Ecu helps Soviet deal succeed despite low margins

THE Soviet Union kept the Buro- although the deal is now expected credit market rolling last week as for this week.

the credit market rolling last week as the credit for Vneshtorghank, its for this week.

Instead the same borrower foreign trade bank, was doubled to slipped in a LuxFr 2.5hn credit, which is being arranged by Enskildas and Société Générale, deal was oversubscribed, according to Crédit Lyomais, the lead manageren, and a number of potential participants had to be turned away. The performance of the credit suggests that the lower margins now being paid by the Soviet Union – the credit is paid by the Soviet Union – the credit is paid by the Soviet Union – the credit is participal at LinxFr 15hm 10-year tranche, and a LinxFr 1.5hm 10-year tranche it bears interest at a margin of only it bears interest at a margin of only. priced at ¼ per cent over money % per cent - are no deterrent to len- market rates for three years, rising

Part of the deal's success reflects Manufacturers Hanover is lead-the appeal of lending in Ecus for ing a \$110m eight-year credit for Hi-many European and Japanese drols, the Spanish private-sector banks that are worried about the utility, half of which will be denomiimpact of the dollar's appreciation nated in Ecus, Margins have been mpact of the dollars appreciation named in iscus. Margins have been set at % per cent for the first four gearing ratios. However, Vnesh-torgbank also has the advantage of being one of the few top-rated borrowers now regularly tapping the market. It is expected shortly to follow mits the expected shortly mits the expected short low up its Ecu success with a \$100m

Soviet borrowing activity has been made all the more conspicuous by the dearth of other new on undisclosed terms which is many on undisclosed terms and the properties of t loans in the market at the moment. naged by the Central Trustee Sav-Last week's eagerly awaited event, the award of a mandate for a loan of about \$500m by France's Credit ing syndicate with Sparekassen National, never actually transpired.

to % per cent thereafter.

Japanese co-ordinator.
Also still awaited is a \$300m cred-

it for Greece's telecommunications

Swiss minister calls for more details on foreign borrowers

ers in the Swiss private placements themselves to bring about orderly market is still insufficient according to Dr Otto Stick, Switzerland's should "secure their own reputation." ter, writes John Wicks in Interlak-

Last year, private placements by foreign borrowers had amounted to SwFr 21bn (\$9.65bn) over half the BONDS

New delicacies to tempt over-fed investors

BY MAGGIE URRY IN LONDON

THE recent flood of fixed-rate issues coming to the Eurodollar bond market seems at last to be abating. Money is settll being raised, but issue managers are trying to tempt Guaranty as co-lead suggests that the settle seems are trying to tempt the settle seems are trying to tempt the settle seems are trying to tempt the settle se over-fed investors with different

Investors are proving decidedly fussy, though. A heavy diet of zerocoupon bonds, with more to come, does not seem to appeal. The exception to that was Swiss Bank Corporation's \$400m face value zero, launched on Friday, which traded close to its half-point selling concession, below the 25 issue price. The name will go well in Switzerland where the underwriting group is based. The yield to maturity of the different firms. 13-year bond at the issue price 11% per cent, far below yields on U.S.

- and has asked for blds, in by toue of well over \$1bn. The smallest bid acceptable will be fir \$10m, so Exxon might end up selling to 20 different firms.

A short lay-off from new Floating-Rate Nate issues has rebuilt demand and deals from Citicorp and

auction in 1981. It will hardly be well, both ending the week trading a lnw up-front price in the bopes popular with the issuing firms. Nn very comfortably inside total fees. that the currency will weaken,

bank has arranged a swap into have been floating-rate notes. Ac- too went well, trading at a discount cording to Salomoo Brothers, Euro-Exxon is entirely opeo about its dollar floaters have given a better plans for a zero-coupon issue. It has return this year to dollar investors already bought some Treasury se-curities - stripped of their coupons tiooal bond markets. A total rate of return of 8.2 per cent was achieved morrow, from Eurobond houses for in the first nine months of 1984, up to \$200m worth of zero-coupon beaten only by the returns to local nutes. That will produce a face val-

Exxon used this kind of dutch Societe Générale last week went

Deal of the week, though, was Morgan Guaranty's bonds-withwarrants package for Swedish Export Credit. The warrants ended the week bid at 40 - compared with a notional 25 issue price, and the package of a bood and warrant was trading close to the 102% issue

just inside the 40 basis poiots sell-

The argument for non-dollarbased investors buying bonds with a lnw up-front price in the bopes

seems to work much better for warrants than zeros.

falleo slightly over the week, missing out oo the rally in New York so domestic D-Mark bond market last Thursday and Friday. With New week Also good news was the New York closed today, most dealers York bond market's rally and do-were squaring their books last Fri-day. The \$600m Chevron issue, the week. On Friday the new Govwhich has been hanging over the ernment bond was priced with a market, picked up by as much as a coupm of 7% per ceot. Though a % point last week. At the end, it was point lower than earlier expectatrading around 97%, only 2% points the bond traded above par. below the issue price, but still nutside the 1% per cent fees.

Merrill Lynch was also in action in the Canadian dallar sector. Like the FRN market, a short lay-off of new issues has revitalised demand. moved faster than Canadian dollar issues often dn.

The West German Cabinel's deci-Generally, Eurodnilar bonds have iog tax before parliament, although

Euro-D-Mark bonds were clase behind the domestic market, rising by % to % point, and new issues were also well received.

 Euro-clear the Eurobond clearand the issue for Transalta Utilities iog system, is rebating \$1.6m of fees to its 1,561 participants for the third quarter of 1984.

INFORMATION on foreign borrow- sector and called on the markets

						NEW INTERN	OITAI	NAL BOND ISSUE	S						
Borrowers	Amount in.	Maturity	Av. life years	Compon Compon	Price	Lead Manager C	Offer yield	Borrowers	Amount m.	Maturity	Av. life years	Coupon %	Price	Lead Manager	Offer yiel
U.S. BOLLARS								SWISS FRANCS				_			
Takeda Rikao §‡	40	2080	151/2	3%	100	Nippon Kangyo Kalomara	3.375	Takeda Riken** 5‡	30	1290	-	21/2	180	ÇS .	2,50
Citicorp (b) ‡	150	1986	2	123/8	100	Citieorp Int., Merril Lynch	12.375	Aoki Con. 5‡	100	1990	_	21/8	100	Swiss Volksbank	2.12
Contrast S & L † (e) ‡	125	1994	10	[c]	100	Banque Pankas	-	Sankyo Seiki Man. * 5‡	190	1990	-	242	100	SBC	2.50
LTCB of Japan ‡	100	1991	7	127/8	993/4	CSFB, LTCB, Mgn. Guaranty, Salo	mon.	New Zealand Steel	. 50	1996	-	Postponed		Banque Gutzwiller K.B.	
					***	Bros.	12.931	Bai-ichi Seiyaku**	50	1990	-	(21/8)	400	CS Soditie	7.75
Societe Generale † (d) ‡	200	1994	10	V ₂	180	Soc. Generale, Lehman Bros., Men	rifi Lynch,	GTE Firance ### Nippon Carbon 5;	135 (max)	1994 1989	Ξ	73/4 25/8	100 100	CS	7.73
Stock & March	***	1991	-	127/	190	Mgn, Stanley Morgeo Stepley Int., CSFB	40 075	EIB İ	128	1994	Ξ	57/2	100	UBS	2.62 5.87
North Am. Philips ‡ Mort Bank of Benrusti, ‡	100 50	1993	81/4	13	190	Mitsziristi Financa	12.875 13.880	Raiston Parima 1	125	1994	_	53/8	180	Citicorp (Switz), Goldman Sachs	5.37
Tokyo Sanyo Elec. §	100	1999	15	(33/4)	100	Yamaichi Int., Daiwa Eur., Mgn. St		Kwushu Electric	100	1994	_	(57/s)	.00	SBC	W
toria santa mar. 3	100	1939	13	(374)	100	Schroder Wagg	MINDY.	Fuzukawa Co. ** ¶	50	1989	_	14)	100	CS	
Swedish Export Credit Ø1	100	1989	5	123/4	1821/2	Mgn. Guaranty, SBCL UBS [Sees]	12 056	Nankai Elec, Reil, ** ¶	58	1989	_	147/e)	100	Bence della Svizzara Italiana	
American Hosp. Sopply ‡	250	2000	16	8	17.85	Goldman Sachs, Nomera Int., UBS	(Secs)	Nippon Yakin Kogyo** ‡	50	1989	-		1001/4	UBS	5,94
Miles A fel d	306	1996	••	1/-	100	88	11.560	STERLING	-						
Citicorp † (a) ‡	56	1994	12 10	1/4 (101/2)	100	Merrill Lynch Kidder Peabody Int.		Roymtree Mackintosh 91	38	1989	5	77/s	189	J.H. Schreder Wagg	7.87
NZI Corp. § SBC Figures I	480	1997	13	10-72)	25.00	SBCI, Mga, Goaranty	11,250	EEC I	50	1990	51/2	113/8	100	Baring Bros., LBI, S.G. Warburg	
200 Linguica †	400	1997	13		25.00	SOCI, Ingu, Containy	11,230	Wells Fargo † (e) ‡	69	1994	91/4	1/8	100	Hill Samuel, Merrill Lynch (beoks)	
								ECUs			_				
CANADIAN DOLLARS								European Banking Co.	40	1993	9	1174	•	Ban, Paribas, EBC, Soc. Gan., So Banque	oc. Gen. d
Transelta Util, Corp. ‡	198	1994	10	131/4	100	Merrill Lynch	13 <i>.</i> 250							Designation	
								GUILDERS Australia	400	1999	13	(81/4)		AmRa	
								FGH Mortgage Bank** ‡	50	1989	5	81/4	180	Bank Mees on Hope	8.25
D-MARKS	400	1991		71/4	1001/2	Daniel or Comb	7.157	LUX. FRANCS							
United Technologies ‡ lot. Service System ‡	19B 6B	1989	4	2 44	190	Bresdner Bank Commerchank	8.000	Volvo Car Corp. \$	259	1990	53/4	103/4	1884	Ban, Gen, de Lexenn.	10.69
Kleas Finance*":	20	1990	6	g	9874	Arab Bank, Corp. Daus & Co.	8.163	Council of Europe I	600	1994	8.46		1001/4	Beg, Int. & Lincons.	10.20

tors had not kept up with the rapid total volume of approved capital-ex-growth in the medium term notes port transactions. 5 Convertible. † Heating-rate note. © With debt warrants. "I With equity wearants. ‡‡ Dual-currency. (a) ¼ over 3 month Libid. (b) Term and coupon reset after point over 1 yr U.S. T-bills or ¼ point over U.S. Tress. 5 yr note. (d) ¼s over 6 month Libor. (e) ¼s over 3 month Libor. Note: Yields are calculated on AIBO basis. This announcement appears as a matter of record only Canadian \$50,000,000 Federal Business Development Bank
(An agent of Her Majesty in right of Canada) Banque fédérale de développement (Mandalaire de Sa Majesté du chef du Canada) 121/2% Notes due September 27, 1987 Issue Price 1001/8% Wood Gundy Inc. **Credit Suisse First Boston Limited** Salomon Brothers International Limited Banque Bruxelles Lambert S.A. Banque Nationale de Paris Deutsche Bank Aktiengesellschaft **Dominion Securities Pitfield Limited** Merrill Lynch Capital Markets **Nomura International Limited** Société Générale Orion Royal Bank Limited Société Générale de Banque S.A. Swiss Bank Corporation International Limited S. G. Warburg & Co. Ltd.

Canadian \$75,000,000



International Bank for Reconstruction and Development

121/4% Canadian Dollar Notes of 1984, due October 2, 1991

Issue Price 9914%

Wood Gundy Inc.

New Issue

Swiss Bank Corporation International Limited

Algemene Bank Nederland N.V. CIBC Limited

Daiwa Europe Limited

Amro International

Credit Lyonnais

Dresdner Bank

The Bank of Bermuda Ltd.

Dominion Securities Pitfield Limited Morgan Stanley International Salomon Brothers International Limited **Credit Suisse First Boston Limited** Deutsche Bank Aktiengesellschaft Merrill Lynch Capital Markets Orion Royal Bank Limited

Banque Bruxelles Lambert S.A.

Société Générale

Bayerische Landesbank Girozentrale

Citicorp Capital Markets Group

Union Bank of Switzerland (Securities) Limited

Banca del Goltardo BankAmerica Capital Markets Group Bankhaus Hermann Lampe Kommanditgesellschalt Bank of China Bank Gutzwiller. Kurz, Bungener (Overseas) Bank of Tokyo International Bank Leu International Ltd. Banque Générale du Luxembourg S.A. Banque Nationale de Paris Banque Paribas Belgique S.A. Banque Internationale à Luxembourg Banque Paribas

Baring Brothers & Co., H. Albert de Bary & Co. N.V. Banque Worms Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft Chase Manhattan Capital Markets Group Chase Manhattan Limited Bayerische Vereinsbank County Bank Commerzbank

Crédit du Nord

Effectenbank-Warburg

Chemical Bank International Group Crédit Commercial de France

Dai-Ichi Kangyo International European Banking Company

Crédit Communal de Belgique S.A. First Chicago First Interstate

Girozentrale und Bank der Österreichischen Sparkassen Genossenschaftliche Zentralbank AG Fuji International Finance Hambros Bank Limited Hill Samuel & Cn. IBJ International Goldman Sachs International Corp. Kleinwort, Benson Kredietbank International Group Kidder, Peabody International Lloyds Bank International LTCB International McLeod Ynung Weir International Midland Doherty Mitsuhishi Finance International

Samuel Montagu & Co. Morgan Grenfell & Co. Morgan Guaranty Ltd Nederlandse Credietbank NV The Nikko Securities Co., (Europe) Ltd. Nomura International Norddeutsche Landesbank Sal. Oppenheim jr & Cie. Pierson, Heldring & Pierson N.V. Pitfield Mackay Ross

Rea Brothers Pic Richardson Greenshlelds of Canada (U.K.) Sanwa International Sarasin International Securities Limited Schoeller & Co Societé Générale de Banque S.A.

J. Henry Schroder Wagg & Co. Société Séquanaise de Banque Sumitama Trust International Standard Chartered Merchant Bank Tornmo Dominino International S. G. Warburg & Cn. Ltd. Vereins- und Westbank Westdeutsche Genossenschafts-Zentralbank e.G.

Westdoutsche Landesbank

Westfalenbank Aktiengesellschah

Yasuda Trust Europe

Yamaichi International (Europe)

U.S. BONDS

Fed funds volatility brings wild price **fluctuations**

fluctuations reflecting the bond was if higher on the week recent sharp voiatility of the at 1021 yielding 12.20 per cent.

continue for four reasons: first, an avalanche of new Treasury paper is forthcoming; second, there is continuing confusion about the Federal Reserve's current monetary policy posture; third, the Fed funds rate, in the words of the Heavy Keef. in the words of Dr Henry Kaof-man, Salomon Brothers' chief

U.S. INTEREST RATES

economist, "keeps the market guessing"; and finally, there are continued mixed signals on

the economy.

The August report of the policy-making Federal Open Market Committee meeting, published on Friday, did little to clear up market uncertain-ties. It allowed both for a steady unchanged policy — the central thrust of the report — or a slight easing. Should economic and monetary growth justify such a shift. Wall Street believes this took place at the

in lower bank discount window borrowings? And, perhaps most crucially, does the current state of the economy and behaviour of the monetary aggregates justify any further move by the Fed?

stumbling along at the start of over the U.S. markets which are the week, bond prices, buoyed closed today for the Columbus by speculative purchases, picked up sharply on Thursday and Friday with the long bond

TRADING in the U.S. credit gaining more than 1½ points markets last week was once over the two days. At the close again punctuated by wild price on Friday the Treasury long fluctuations reflecting the bond was ½ higher on the week

recein sharp volaulity of the Fed funds rate coupled with rapidly shifting market moods and perceptions.

While the markets ended the week with modest price gains, this high volatility looks set to continue for four reasons: first, an avalanche of new Treasure in the Jane to San Tr or increase mr the basic money measure in the June to Sep-tember period. Other factors included the banking figures which showed a obarp \$1.13bn decline in commercial and industrial loans on the books of the big New York banks, and of the hig New York banks, and the funds rate which — having been pushed up well over the II per cent level early in the week by end-quarter seasonal factors — dropped down to the 10½ to 10½ range by the close, without expected Fed inter-vention.

In the corporete debt markets prices rose by a point on medium-term issues and a point at the long end. Treasurers took advantage of the price improvement and a 10 to 30 basis point decline in new issue yield to launch a flood of new corporate paper.

Chrysler Financial sold \$200m of five-year extendable notes at par to yield 13.25 per cent, National Medical Enterprises offered \$100m of three-year ex-tendable notes yielding 12.75 per cent, and Shearson/Leh-man/American Express sold \$150m of 10-year senior sub-ordinated notes at 99.6 to yield 12.5 per cent.

believes this took place at the start of September.

Two questions remain, and sre the subject of renewed bitter debate among Wall Street economists. First, what level of funds rate is appropriate in view of the apparent easing in Fed reserve pressures reflected in lover hank discount window.

Other interesting issues included \$75m 25-year 9 per cent convertible debenture issue sold by Bowater Incorporated, the spin-off from the UK parent company. Wells Fargo, the West Coast banking group, and it was offering \$500m of medium-term notes with maturi. Other interesting issues inmedium-term notes with maturi One reason for the large

number of corporate issues last week was the impending flood These uncertainties were fully reflected in the credit market's behaviour last week. After stumbling along at the start of over the U.S. markets which are

G & W finds buyer for Dominican sugar side

BY OUR FINANCIAL STAFF

GULF & WESTERN, the New York-based conglomerate, bas York-based conglomerate, bas reached agreement in principle to seli its sugar and related operations in Florida and the Dominican Republic to a group of investors headed by Alfonso and Jose Fanjul, the Cuban-American brothers. Terms were not disclosed.

G & W approved a plan to sell the businesses in June and took a \$140m writedown on the Dominican operations.

took a \$140m writedown on the Dominican operations. The company is the largest private landowner and emoloyer in the Dominican Republic, where the announcement of the planned sale caused a major controversy. Participants in the transaction will include Flasher. action will include Flo-Sun Land of Florida, various

Premiums up

GRUPPO GENERALI, the major Italian insurance group, lifted total premiums in the first half of 1984 by 15.2 per cent to 1.3,387.3bn (U.S.\$1.8bn). More than two thirds of total premiums were collected outside.

miums were collected outside

For the whole of last year Generall'a consolidated net pro-fit was L137.Sbn, an increase

of 20 per cent.

Generall is one of the most

actively traded shares on the

Milan bourse. Its closing share price on Friday was L31,720.

at Gruppo

Generali

continue the operations with no significant changes in business relationships or operating personnel. The Dominican boldings include 200,000 acres of land, three botels, a borse farm, an industrial estate, a cement factory and 65,000 head of

Florida farming corporations associated with the Fanjuls and

a group of G & W's Dominican

The company's major invest—\$62 in cament in the Dominican Republic debentures. is the La Romana sugar mill, which produced 400,000 tons of sugar last year, one-third of

has approved a revised proposal executives led by Sr Carlos from the company's senior Moreles, the chairman managers to acquire it in a G & W said the buyers would leveraged huyout.

Under the proposal, share-holders will receive \$621 in cash and \$9.25 nominal of subordinated debenures for each share valuing company at \$875m. acquiring group, headed by Mr Joseph Neubauer, ARA's chief executive, bad earlier offered \$62 in cash and \$8.50 in

which produced 400,000 tons of \$722m hid from a private sugar last year, one-third of investment group led by Mr he country's total production. William Siegel, former executive vice-president of operations.

Government administration for Cruzat-Larrain group

BY MARY HELEN SPOONER IN SANTIAGO

THE CRUZAT-LARRAIN group, Chile's largest financial con-glomerate, has signed an agree-ment with its creditors to turn over most of its assets, and 91.5 per cent of its sbsres, to be administered by a Governmentappointed commission.

The commission will attempt to pay off the group's domestic debt of 78bn pesos (\$678m) by selling the shares and using revenues and profits from the assets handed over. These include two banks, oil, timber, and mining companies,

The group was built up by Sr Manuel Cruzat, who came to prominence under the Pinochet Government that came to power in September, 1973. It was hit by successive devaluations of the peso in 1982 which made dollar loans more difficult to

dollar loans more difficult to service.

Cruzat - Larrain's ...flagship bank, the Banco de Santiago. and the group's other financial institution, the Colocadora Nacional de Valores, were taken to determine whether that will the determine th the government early last year, quarter"

Jump in third-quarter deficit at Mitel

By Bernard Simon in Toronto

LOSSES at Mitel, the Canadian telecommunications equipment manufacturer, rose sharply to C\$10.1m (U.S.\$7.67m), or 28 cents a sbare, in the second quarter to August 24, from C\$3.5m, or nine cents a share, This took losses for the first half to C\$27.8m, or 79 cents a share, compared with C\$8.0m, or 21 cents a share, a year ago. Revenues reached C\$93.5m in the latest quarter, 30 per cent above the previous three months and 23 per cent higher than a year ago.

Despite the higher losses in the latest quarter. Mr Terence Matthews, president and chief executive officer, said that "progress was made in the quarter . . . Mitel expects continuing improvements throughout the remainder of this fiscal

Ioventories declined by C\$3m during the quarter, including a drop of C\$14m in August. Margins improved alightly, and research and development spending, a major drag on Mitel's financial position in recent years, continued the decline of the first quarter. Despite these encouraging signs, the company has backed away from earlier predictions

capital at a price of R5 per share. African Finance Corporetion, the investment company which controls Messina, has

Libya to take up Fiat rights issue

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

managing director, said.

The rights issue is designed to raise about L760bn (\$402m) which implies that Libya will pay L103.3bn for new Fiat shares.

Libya paid the equivalent of \$415m for its original share-bolding in 1977, cash which helped Fiat finance its car model renewal programme at a time when the group's fortunes

time when the group's fortunes were at a very low ebb.

were at a very low ebb.

Sig Romiti said in London
that the original negotiations the managing director of Iveco, had lasted 18 months and said the company should reach resulted in an agreement that break-even some time in 1985.

LIBYA is to maintain its share- Libya's involvement would be LIBYA is to maintain its shareholding in Flat at 13.6 per cent
by taking up its entitlement in
the rights issue planned by
Italy's largest private group, Sig
Cesari Romiti, Fiat's group
managing director, said.

The rights issue is designed
to raise about L760bn (\$402m)
which implies that Libya will

intended to seli a
minority shareholding in level.

Italy's involvement would be
that this was still the case. Sig
Romiti pointed out that Flat
had continued to export
the association with Libya.

Sig Romiti also revealed that
Flat still intended to seli a
minority shareholding in level. its commercial vehicle subsi-diary, "once it is past its crisis." Iveco, which is registered in the Netherlands, reported a loss of Fl 232.6m (\$67.6m) in 1983 com-pared with a Fl 16.4m profit in the previous year and seems likely to reveal even larger losses for 1984.

Sanlam in agreed offer for control of Messina

BY JIM JONES IN JOHANNESBURG SANLAM, South Africa's are in motor vehicle assembly. second largest insurance group. The company manufactures has bid R22.5m (\$13.3m) for Nissan vehicles in South Africa control of Messina, the troubled and has ebout 12 per cent of

motor vehicles and copper group. Saniam owns 14.55 per cent of Messina's equity and has offered to acquire 40 per cent of the remaining ordinary

Messina's principal interests

the country's total vehicle market. The South African copper mining operation is improfitable and is being kept affoat by Government sup-

A sharp reduction in motor vehicle sales since mid-year, obliged Messina to close last week the Nissan assembly plant for a fortnight and further temporary closures are expected over the next 12 months.

changes at P.K. Banken

Divisional

fering \$500m of soles with maturifrom one to 10

for the large porate issues last impending flood reasury paper, of al about \$43bn ive weeks, which sting its shadow narkets which are for the Columbus

Paul Taylor

PK BANKEN, Stockholm, has ponents division from January L. From amed an president of the division from January L. From the same date Mr. Svenerik Hakansson, executive vice president and currently head of the international division, becomes the international division, becomes the international division, becomes the property/casual tions, including the property for the Columbus

Paul Taylor

PK BANKEN, Stockholm, has ponents division motions within motions within the motions within the motions within the president of the division, becomes the property/casual tions, including the property for property/casual tions. Including the property for property/casual tions, including the property for property/casual tions. Including the property for property/casual tions. Including the property for property PK BANKEN, Stockholm, has

markets division. ZILOG INC has appointed Mr Jon Tammel to the post of vice-president, marketing and sales,

components division, and Mr Gerald Robinson as vice-president, operations, components division. Both are pro-motions within the division. Mr Max R. Nunnery has been named an executive vice-president of the CONTINENTAL CORP and president of its agency group. He is directly responsible for all domestic property/casualty agency opera-tions, including business generated by the independent agents who represent Continental Insurance. He was senior vicepresident in charge of Continental's U.S. regional and

INTERNATIONAL APPOINTMENTS

happen in the third or fourth

The DUN & BRADSTREET CORP has elected Mr Arthur C. Mielsen, Jr., chairman of the executive committee of the A. C. Nielsen Company, and Mr Henry Burk, chairman and chief executive officer of A. C. Nielsen, as directors of Dun & Bredstreet. Mr & Lurk was also elected vice-chairman of Dun & Bradstreet. On August 29 ths Nielsen Company became a wholly-owned subsidiary of Dun & Bredstreet. See Bradstreet C. Ackerses has president and general manager president and general manager. plant in Grand Rapids, DEUTSCHE WESTMINSTER Australi gan.

BANK, wholly-owned subsidiary versity of the ILS has approximately were considered by the ILS has approximately be a subsidiary with the Australian was considered.

■ AMAX SPECIALTY METALS
CORP has made the following
promotions: Mr Heary F. Boekling has been elected vice-president—sales and marketing: and
Mr Walter J. Himmelman has
been elected vice-president—
finance and control.

ment board of Deutscha Westminster Bank.

CORP. She is professor of Australian literature at the Uni-versity of Sydney, a director of the Australia and New Zealand in West Germany. He succeeds
Mr Sydney Haywood who has
returned to the UK. Mr Leeson
was a member of the manage-Bank Group, and was during 1982 to 1983 chairman of the Australian Broadcasting Commis-

AM INTERNATIONAL INC. Nielsen Company became a wholly-owned subsidiary of Dun & Brodstreet.

© Mr Garret G. Ackerson has been promoted to president of McDonnell Douglas in 1982. Eartier, be was vice-president/general manager of the McDon
Nielsen Company became a wholly-owned subsidiary of Dun & Corporate information systems, CORP has made the following by CORP has made the following of CORP has made the following by CORP has made the following by CORP has made the following of CORP has made the following by CORP has made the following the following by CORP has made the following the followin

NEW ISSUE

These Notes having been sold, this announcement appears as a matter of record only.

SEPTEMBER 1984

U.S. \$600,000,000

BFCE

BANQUE FRANÇAISE DU COMMERCE EXTERIEUR

Guaranteed Floating Rate Notes Due 1999

Unconditionally guaranteed by

The Republic of France

Credit Suisse First Boston Limited

Bank of Tokyo International Limited

Crédit Lyonnais

Kidder, Peabody International Limited

Merrill Lynch Capital Markets

Morgan Guaranty Ltd

Salomon Brothers International Limited

Banque Nationale de Paris

Caisse des Dépôts et Consignations

Dresdner Bank Aktiengesellschaft

Lehman Brothers International Shearson Lehman/American Express Inc. Samuel Montagu & Co. Limited

Orion Royal Bank Limited

Société Générale

Société Générale de Banque S.A. **Swiss Bank Corporation International Limited**

S. G. Warburg & Co. Ltd.

- FT INTERNATIONAL BOND SERVICE

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EUROBOND TURNOVER (nominal value in \$m)

Cedel . clear

Last week ... 1,983.0 2,464. Previous week 2,248.7 2,122.

 No information available previous day's price. † Only one market maker supplied a price.

STRAIGHT BONDS: The yield is in millions of currency units except for Yen bonds where it is in billions. Change on week. earlier.

FLOATING RATE NOTES:
Denominated in dollars unless
otherwise indicated. Coupon
shown is minimum. C.dte=Date
next coupon becomes effective.
Spread=Margin ebove six-month
offered rate (three-month;
§ above mean rate) for U.S.
dollars. C.epn = The current
coupon. C.yid = The current
yield.

convertible bonds: Denominated in dollars unless
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Cov. price=Nominal amount of
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effective price of acquiring
shares via the bond over the
most recent price of the shares.
The list shows the 200 latest
international bonds for which
an adequate secondary market international bonds for which an adequate secondary market exists. The prices over the past week were supplied by: Krediet-bank NV; Credit Commercial de France; Credit Lyonnais; Com-merzbank AG; Deutsche Bank AG; Westdentsche Landeshank Girenzentrale; Banque Generale du Luxembourg SA; Banque Internationals Luxembourg; Krediethonk Luxembourg Credit Commercial de France (Securities) London; Daiwa Europe NV; EBC; First Chicago; Goldmen Sachs International Corporation; Hambros Bank; IBJ International; LTCB International; Merrill Lynch; Morgan Stanley International; Nomura International; Orion Royal Bank; Robert Fleming and Co.; Samuel Montagu and Co.; Scandinavian Bank; Societe Generals Strauss Turabull; Sumitomo Finance

International: S. G. Warburg and Co.; Swiss Bank Corporation International; Wood Gundy.

FINANCIAL TIMES SURVEY

Monday October 8 1984

FRANCHISING

The new generation of franchises—fast food, specialist car services and the like—is creating wealth for individual entrepreneurs and franchisors. Recent rapid growth is expected to continue.

Fast route to self-employment

By David Churchill

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A Tender of the Control of the Contr

economies around the world tories to independent operators.

Annual sales of franchised But it was not until the turn companies in Britain have been of the century, when General companies in Britain have been of the century, when General tion between a company which increasing each year by at least Motors used independently wishes to expand its trademark of per cent, with total turnover owned businesses to increase its of its products, and an inde-16 per cent, with total turnover next year forecast to exceed film for the first time. More than 8,000 companies have been created in recent years by the franchis franchise system, and almost began. 60,000 people given employ-

"A great deal of new wealth being created in the country each year, much of which would be unlikely to happen without franchising," claims Mr Brian. Smith, current chairman of the British Franchise; Association. "Probably franchising's biggest asset is that there is something in it for everyone."

Interest in the first ever National Franchise Exhibition— which starts next Sunday at the Kensington Exhibition Centre
in West London—is running at are included in estimating the a high level with more than 100 exhibitors and many

capital for public houses in (available from Mintel for return for an agreement giving £395), "if the population of the them exclusive rights to supply U.S. is compared with that of

FRANCHISING is rapidly be coming one of the fastest Singer Sewing Machine company franchised exclusive territors of franchising in use but to the describe the UK franchise market as being in its infancy."

There are a number of definitions of franchising in use but to independent annual selections of franchising in use but to independent annual selection. It decomes obvious that it would no longer be fair to describe the UK franchise market as being in its infancy."

There are a number of definitions of franchising in use but to the describe the UK franchise market as being in its infancy." distribution outlets thus avoiding the need for additional investment, that the growth of franchising in the U.S. really.

Business format

In Britain, the pubs, voluntary groups of grocers, and petrol stations linked to major oll companies are all examples of what are called "first genera-tion" franchises. The newer type of franchising, such as fast food outlets and drain cleaning services, are second generation or husiness-format franchises, and it is this area that is showing the most growth.

size of the franchise sector (as they are in the U.S. where franconsees expected to attend.

Yer tranchising in Britain—
which for most people is typified by fast food outlets—is by
no means new. Its origins go
back to the late 18th centular
when the control of percent of gross national product), the
number of franchise outlets in
the UK is between 80,000 and
100,000 and total sales would
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when the hig brewers instigated As the Mintel market and local the tied-house system by which research group points out in a advertising, the brewers provided the recent study of the market Such contribution.

defined as a means of collaborapendent individual. Under the terms of the deal the collaboration is governed by a contract.

The franchisor is a manufac-turer, wholesaler or retailer who grants his trademark and methods to be exploited. The franchisee is an independent trader who accepts the working principles of the franchisor. For the franchisee, the main advantage of franchising is that

he can benefit considerably from business and clientele which is already established, while legally keeping his own inde-pendence. The franchisor, on the other hand, gains a rapid growth of his business and a faster establishment of his trademark with lower capital

The franchisee usually pays over a lump sum to the franchisor with a continuing royalty, which can either be a percentage of the turnover, or a sur-charge on the cost of the basic supplies. The royalty covers the cost of any further training, advice, administrative back-up and local and national

Such continuing royalty pay- potential franchisees.



irritation to many franchisees. of the growing number of franchise consultants, advises franchisees not to be greedy. "After all, you will want your franchisor to he prosperous and financially capable of providing bis services to you oo a longterm basis," he says.

The amount needed to obtain a stake in a franchise operation varies considerably — from about £5,000 or so for the simplest type of service fran-chise to over £300,000 for a fast food outlet in a prime location, with about £30,000 as the average start-up cost.

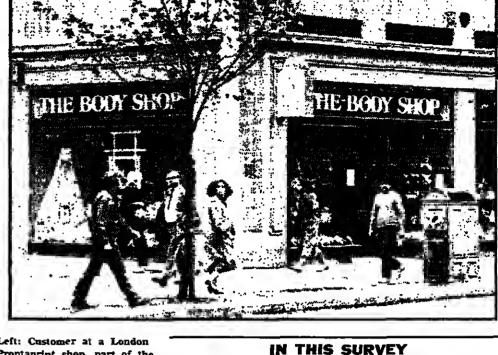
Raising the finance has been made much easier in the past few years. The major UK clearing banks — especially Barclays and National Westminster have set up specialist depart-ments to check out franchisors and offer financial packages for

In the UK, most "home-grown" franchisors have tended to be in the service sector, such as drain cleaning, windscreen replacement and so on, while many of the well-known fran-chise names, such as Kentucky Fried Chicken, are American

Expanding market

Relail distribution franchisees are relatively rare com-pared with the U.S. or Continental Europe, probably owing to the difficulties in the past in acquiring retail sites. How-ever, UK franchise retail groups such as Prontaprint are now finding it easier to expand as the recession has brought more retail properties on to the mar-

The largest growth potential lies in the wide range of retail franchises similar to those found on the Continent, many lies in the wide range of retail "Further fast growth is pre-franchises similar to those dicted in non-traditional areas found on the Continent, many such as professional services, of them in well-developed for new restaurant formulas and



Prontagrint shop, part of the fast print chain; and, right, City hranch of The Body Shop, the toiletries and health care outlet, In the U.S., fast-growing sales through franchising are expected to reach \$500bn, with 5m people employed hy franchising companies.

the way, while Phildar, a chain

arrival.

The sectors: many new areas being considered Franchisors: careful selection is vital Licensing: firmly established part of retailing The franchisee: taking first steps to success Case studies: Richard Carr—burger breakthrough; Agnes Gregory—maternity
Europe: variety of regional differences
The U.S.: success still breeding success
BFA: rapidly-developing trade association

mats which could be carried hair care services." into the UK. Pronuplia and Yves Rocher have already led

of wool shops, is a more recent business-format franchise sector than France and West Germany where annual sales through franchising are estimated at £5.4hn and £2.18hn respectively. France has over 450 franchisors. In the U.S. sales through

franchising this year are expected to reach \$500hn with franchised companies employ-ing at least 5m people. "Franchislog business has already proven to be one of the fastest growing areas of development for entrepreceurs in this decade." comments Mr Gregory Stoloff, director of the U.S. International Marketing Ceotre.

American franchisors recently launched a trade misssion to the UK and other European

of wool sbops, is a more recent recommendation of the way for further U.S. expansion on this side of the Allantic. One attraction of Europe for the Americans is the absence of strict legal controls affecting companies wanting to set up a franchise operation. There are, in fact, no legat restrictions aimed specifically at franchis-ing in the UK, and the position

Legal controls

In Italy, while there is no specific law regulating franchis-ing, foreign franchisors must register their trade mark in Rome, or with the relevant chamber of commerce in each region, and make contact with an Italian bank to negotiate and require considered follow through all royalty payments. (One fast-growing Italian own bosinesses."

franchising export to the UK is the Benetton fashion chain.)
Although the Office of Fair Trading and other UK regulatory agencies are closely monitoring the progress of franchising in Britain to ensure that no unfair trading practices develop, the British Franchise Association has managed to stave off any stronger controls by offering self-regulation. The association was formed in 1977 to help stamp out some rogue traders and to raise standards generally, as well as to promote the franchise concept in Britain. How fast will franchising in Britain cootinue to grow? Mr Tony Dutfield, the association's director, says that "there is no doubt in my mind that franchis-ing operations will expand steadily, not least because the system is a route to selfemployment for many thousands

of people who would otherwise require considerably more capital with which to start their



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Careful selection vital

Franchisors DAVID CHURCHILL

IT IS not only fed-up company executives that are jumping on the franchising bandwagon: many companies themselves are many companies memserves are becoming increasingly keen to explore the growth opportunities offered by franchising. Over 1,000 companies a year are seeking guidance from the British Franchise Association about becoming franchisous.

The main advantages for com-panies of expanding through franchising are twofold. Firstly, it enables a company with a successful operation to expand

In addition, the routine like. The strategy eppears to administrative problems which have paid off, with Wimpy

owned chains are reduced by the franchising system. The

But franchising as a means of But franchising as a means of growth can also have its draw-hacks. Loss of management control over franchisees can sometimes lead to harming of the national image that the franchisor is seeking to establish.

Routine

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The classic example of this was the Wimpy chain which, after many years of franchising, found that its market image At erables a company with a successful operation to expand more quickly than could otherwise be achieved using its own capital. Secondly, the problem of finding highly-motivated hranch management is overcome by the expedient of having the "manager" work for himself as a franchise.

The addition the routine was slipping because of poorquality service in some outlets. It was thus forced to buy back sites from franchisees and embark on a massive image-building campaign which included setting up companyowned "flagship" sites to show what a good Wimpy should be like The strategy empears to

considered in this very vital area of franchise recruitment, and a franchisor delegates his selection process at his peril." Many franchisors at a recent Many franchisors at a recent BFA seminar felt that their early choice of franchisees had been had. Many were unable to resist the temptation to sign up the franchisees simply because the franchise was a new one and the franchisor wanted to get it operating, with the idea of solving potential problems later on.

idea of solving potential prob-lems later on.

Companies that are consider-ing franchising as a means of expansion need to consider-several factors. These includa whether there is sufficiently large market demand for a pro-doct or service and whether it doct or service and whether it

can easily he franchised.
In addition, the franchisor should consider whether or not the product or service has staythe product or service has stay-ing power, or whether it is just e passing fad. Would-be fran-chisors should be clear whether effective and simple controls can be established and whether the company itself has sufficient depth of management to recruit franchises and to develop the franchisees and to develop the

"If the answers are positive," suggests Mr Stern, "then the prospective franchisor should go forward with a pilot operation to test the market formula, prove its viability, highlight problem areas, and perfect the package by experimenting with opening hours, advertising methods and so on."

franchise operation still costs represented

image. franchisor's costs or communication of their problems faced by ing a service franchise with a franchising system. The franchisors include the franfranchisor, moreover, obtains franchisors include the frangreater buying "muscle" chisee feeling that success is around £20,000, while a
through having an expanding due more to his own efforts national chain would cost more
number of fied outlets. this can lead to the franchisee resenting having to make The benefits of franchising

as a means of expansion has regular royalty payments.
Communications can also become e problem, which can lead to conflicting objectives and less been shown by the Body Shop, which recently secured a quote on the Unlisted Securities Market. The Body Shop offers to conflicting objectives and less willingness by franchisees to co-operate in the running and development of the system.

"Most of these problems arise, however, when the franchisees with sufficient care," points out Mr Peter Stern, assistant franchise manager at National Westminster Bank.
"Personality, suitability for the market. The Body Shop oners health and beauty products in a manner which emphasises nature, in contrast to the beauty promoted and packaged products from the established beauty houses. The Body Shop has 62 franchised outlets, of

which 37 are in the UK.
Kennedy Brookes is another company that plans to grow through franchising. The com-pany, which has expanded from a small hamburger outlet to "Personality, suitability for the particular franchise, family support and financial background are all important factors to be include Wheeler's and Maxim'e restaurants in its portfolio, intends to develop the Mario and Franco restaurants through franchising.

There are a number of other sectors and companies which are using franchising to expand into the UK market. Fresh baked cookies, for example, are a popular franchise in the U.S. which is developing in the UK. United Biscuits is testing the market by opening six companyowned outlets in London as a nilot scheme for an operation called "The Cookies Ritchen."

Positive

In Stoke on Trent, what is claimed as the first "drive thru" takeaway outlet was opened

The de-control of telephone sales has paved the way for a new franchise called Phone-centre which sells a range of telephones and hopes to have 100 outlets by the end of the yeer. Mini-photographic labs, which can develop films in an hour, are very big in the U.S. and the French company KIS International is developing the market in the UK with several major retail chains testing these major retail chains testing these labs as in-store franchises.

methods and so on."

The minimum period for a pilot run should be from six to nine months, he adds, "and in many cases it would be wiser to operate several pilot schemes in tandem for 12 month or more."

While franchising reduces the cost of expansion compared with traditional methods, setting up a propertyly constructed franchise operation still costs of the cost of expansion compared with traditional methods, setting up a propertyly constructed franchise operation still costs to the currently waitness service.

Labs as in-store franchises.

Other new areas for growth the reduction providing providing provided and semi-professional and semi-profession



Customers at Spud-U-Like, the fast food outlet based on baked potato fillings

From fast food to photos

The Sectors DAVID CHURCHILL

THERE ARE more than 200 franchisors operating in the UK at present and the numbers at present and the numbers seem set to grow as more com-panies realise the benefits of franchising. While many new areas for franchising are being considered—such as providing professional services for husinesses-most of the established franchisors operate in a handful

of major sectors.

The best-known is probably the fast food business. Yet, perhaps surprisingly, many of the major companies in the sector cept and the Stoke operation beartedly embracing franchisenables 12 cars to be served without queueing, with orders its because the fast few years. This turned around in two minutes, try has had a number of probutlets over the next four years.

The de-control of the major companies in the server have pulled back from whole-beartedly embracing franchising in the past few years. This is because the fast food industrument around in two minutes.

There are plans for 35 more outlets over the next four years.

The de-control of the major companies in the server have pulled back from whole-beartedly embracing franchises. This is because the fast food industrial forms are plant for the major companies in the server have pulled back from whole-beartedly embracing franchises. termined to get their formula right before expanding too fast

through franchising.

McDonalds, the U.S. owned
fast food chain, has so far
eschewed franchising in the UK that is now planning to change this policy. The biggest UK fast-food franchisor remains the Wimpy chain, now owned by United Biscuits. Started in the UK in 1955 by J. Lyons, Wimpy entered franchising in 1957; there are now over 420 Wimpy outlets in the UK and a total of

operation in 1976 after Wimpy's market image had begun to suf-fer through poor control of fran-chisees and failure 10 adapt to waitress service.
Wimpy now has some 23 com-

pany-owned counter service outlets, which it uses to test new equipment and management techniques, and generally pro-vide an example to franchisees. UB plans to keep a core of company-owned outlets, but intends to reduce their importance by encouraging further expansion through franchised outlets.

Kentucky Fried Chicken appears to have overrome some of its marketing problems of recent years and re-established its position as the leading chain selling fried chicken. The com-pany is to invest £60m in the UK over the next five years opening 350 more restaurants.

Spud-U-Like has been one of the most interesting new developments in recent years, offering instead of the usual hamhurger or chicken, e baked potato with a variety of fillings. In 1982 the British School of Motoring acquired the franchise, and there are now some 47 outlets operating in the UK with a further seven openings planned hefore the end of the year. One of the advantages claimed for Spud-U-Like is that it has a lower start-up cost (around £50,000) than that for a typical hamburger franchised

outlet (about £200,000).

Apart from fast food, another well-established franchise sector is that provided by car services. This sector has had its problems over the years and some companies have pulled out: Masterserve, for example, which offered on-the-spot complete vehicle service and main-tenance, is no longer franchiscontrol of its operations than can be schieved through a franchised network.

lished itself as number three in the car rental market world-wide through a franchise operation. Budget has over 100 outlets in the UK and has extended the type of franchises it seeks. the type of franchisees it seeks, from motor dealers to entre-preneurs from any area. It offers a financial and accounting service to new franchisees and has available a field force of skilled managers to ensure that standards are maintained.

With some 17m cars on the road, there remains plenty of scope for growth among fran-chisors offering e service to motorists. Silver Shield, for example, has a major slice of the replacement windscreen market, while over the past 16 years Home Tune has estab-lished itself in car tuning with almost 250 franchised opera-

Outlets

The Mintel market research company, in a recent report on the franchise sector, points out that "where a car services franchisor has e sound business format, the franchisee can earn format, the franchisee can earn
a reasonable living without
making a fortune or, where the
prospective franchisee already
has a strong established business, a franchise such as
Budget-Rent-A-Car can represent a profitable addition."

Retailing is another major franchise area. Booker Mc-Connell, for example, is rapidly expanding its Holland and Barrett health foods chain tenance, is no longer franchis-ing because it wants tighter example of how quickly to expand to meet booming demand. Singer, the sewing machine manufacturer, has now con-

verted its retail operations completely to franchising. Another Booker development

Another Booker development has been to take on e number of franchises from Sperrings, which operates convenience stores in the south of England. The convenience store sector is expected by some analysts to show significant growth in the next few years as an alternative to the trend towards large food. to the trend towards large food Other retail outlets offer evariety of services. The instant

print sector continues to grow rapidly with companies such as Prontaprint and Kall-Kwik. Prontaprint, moreover, is also Prontaprint, moreover, is also developing as a franchising servicing operation rather than just expanding the print chain. The holding company has purchased Poppies, a cleaning franchise, and Fudge Kitchen, a confectionery franchise, and is the holding other expansion in also helping other companies to develop retail outlets as fran-

Exchange Travel, a retail travel agent and tour operator, is developing its travel agency business through convexting existing independent agencies to Exchange Travel outlets as well as opening franchises.

Another different retail franchise is Fastframe, which offers instant picture framing services to the general public and husi-

Mintel concludes in its report that "it is certain that service shops will continue to develop and, while the market must peak out at some point, their ability to promote new business will ensure that this will be a good growth market for sume

been pioneered by a London company, Image Merchandising

Fashion friends for Mickey Mouse

Licensing

DAYID CHURCHILL

velt can be said to be the father of the licensing industry. After all, it was he who gave permission for the Ideal Toy Company to use his name, "Teddy" as describing a stuffed little bear that the company was proposing

"Now, some 77 years and many hillions of pounds later, it's hard to believe that you could say an unkind word ebout those cute and cuddly creatures like Mickey Mouse, Snoopy, etc," suggests Mr Keith Bales, managing director for consumer products and marketing of Walt Disney Productions.

Licensing as a modern-dey industry traces its origins back to the 1930s when Disney's Mickey Mouse was first used on children's school writing pads and soft toys. From that small worldwide to the point where consumers spent almost \$17bn on licensed products in 1982.

In the UK, licensing is growing as an eccepted part of the retail industry as store chains bettle it are with seek other to battle it out with each other to

Not only are department stores and chains such as British Home Stores and Littlewrouss spending many millions on new store design, they are also trying to create "uniqueness" in their product ranges by adopting licensed "designer" labels.

"Licensing bas shed its old image are simply producers of

image as simply producers of novelty merchandise," says Mr

cepts emerge with the dawn of every fashion season."

Moreover, he points out that and Marketing. This company some licensing organisations puts together ranges of mer Moreove.,

'some licensing or acquiring personnel with expertise in the fashion industry." This, be maintains, "is a welcome sign in e highly volatile industry."

Successful licensing of a ground such as a home range called "The House Louis Nichole"—and then selling this to retail outlets. The company also ensures that delivery and stock control is carried out efficiently. Successful licensing of a character involves two stages. Firstly, finding the right character to license. "It would be easy if all that were being offered were old faithfuls such as Mickey Mouse or Fred Flintstone." says Mr Bales. "But the choice is staggeringly broad and the risks add to the challenge"

of a licensing involvement with a forthcoming feeture film: "The movie might die after a six-week run so you are left with a competition based on the movie and offering the chance to win tickets to a film that is

The second stage after finding the right character to license "is to make the character work for you." Promotions, such as competitions, collectables, games, and even money-off coupons, should all relate to the character to further emphasise its ties with the preduct." As centive schemes and as a fo

royalty of up to 10 per cent for top characters, although those that seek higher fees tend not to work if it means that the

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challenge." For example, he points out that children are notoriously fickle in their tastes and that any character should also win the approval of parents who are the actual purchaser. More-over, he highlights the dangers health boom.

its tie-in with the product. "As part of getting the most out of a character, consider using it in conjunction with salesforce in point for trade presentations," suggests Mr Bales.
Licensors often claim a

John Withers, a licensing consultant to major store groups in the UK. "Licensing is now firmly established within the retail industry. With the change

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The franchisee DAVID CHURCHILL

off the shackles of organisa cum of natural sales and young their be successful in a heavily sales-tional life and running their be successful in a heavily sales-orientated franchise."

who has carried out extensive research into the motivations and working aspects of becom-ing a tranchisee: "R-is quite possible that as many as 50 per cent of franchisees would not otherwise have become self-employed were it not for the franchise format."

His research, found that fewer than 15 per cent of franchisees wanted to operate an entirely independent small business.

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small business.

Franchising offers, most of the advantages of running your own business—such as independence and job satisfaction—without many of the drawbacks which result in such a high failure rate for most small businesses. Franchise operations do fail as well, but the rate is generally much lower than that generally much lower than that for small businesses overall.

Moreover, taking on a franchise with one of the more reputable and well-established

much they earn from their busi-nesses, although what evidence there is suggests that a good franchisee who works hard can mendy an income much greater than he could reasonably expect operation which is separate operations are suggested in the initial meeting. than be could reasonably expect from working for someone else.

Although redundant workers and executives have been a significant factor in the upsurge in interest in franchising in mesont years information where the potential problems have not yet been identified. The problems when they decide to enter the business. The typical franchise is likely to be a man in his late 30s — although more women are now taking up franchises — who is married development, for exampte, and what sort of competition is with children and is likely to work with his wife in the busi-

Most franchise experts agree that the potential franchises should very carefully examine bis motives for wanting to take up a franchise before even deciding what sort of franchise to go for, or seeking finance. Potential franchises should not dekide themselves when considering their own capabilities and sible, the company's accounts.

"As a potential franchisee, you should make certain that your skills or aptitudes are compatible with the franchise," problems they have found. Be points out Mr Peter Stern, wary of a franchisor who refuses the problems are comparable as the given wary of a franchise way of a franchise way of a franchise. points out Mr Peter Stern, assistant franchise manager at to give you names and addresses of those to contact.

FRANCHISING IS the means for many people to achieve one without the ability to many people to achieve with people, or without e moditured life's ambition of casting off the shackles of organisation.

own business.

According to Prof John In addition, it is important Stanworth, director of the Small Business Unit at the cusses with his family the hard Polytechnic of Central London, work and commitment needed to make a franchise become work and commitment needed to make a franchise become a success. It may be that on considering it carefully, you and your family decide that the financial strain in the short-term and possibly long and unsocial hours are simply not worth it.

So how do you pick o poten-tial franchise operation? Mr Dick Crook, a franchise consultant, points out that all franchisors are clearly not the same. "Some give super value for money and have excellent fran-chise programmes which are well able to stay the course," he

no intention of providing a proper franchise package," he

franchise operations, and raising finance through a clearing bank, makes the potential risk much less. Neither the banks nor the established franchisors want their franchisees to fail, so their screening procedures to weed out those unsuitabla are fairly rigorous and, becoming increasingly sophisticated.

Earnings

Few franchisees are willing to say publicly exactly how much they earn from their businesses, although what evidence the initial meeting is beld—office, hotel room, or bar—can be a clue, although would-be franchisees should be wary of being taken in by too-affluent a setting for the limital meeting in their business.

The major clearing banks have emerged in the past few years as one of the prime movers in the growth of franchising, with Barclays and NatWest leading the way although the other banks have some clue as to the type of operation run by the franchiser.

The place where the initial meeting is beld—office, hotel room, or bar—can be a clue, although would-be franchisees should be wary of being taken in by too-affluent a setting for interests to thoroughly vet the

in by too affluent a setting for the initial meeting. Most franchise experts recommend that the franchisor should clusions about the franchisor of

there already?

Prospective franchisees should ering their own capabilities and sible, the company's accounts.

tong-term ambitions.

If possible, contact some of

whether or not the clearing banks are prepared to finance

For would-be franchisees wanting to get more informa-tion on franchising without obligation, the national fran-chise exhibition being held next week at Kensington Exhibition Centre will provide an opportunity to compare a number of possible franchisors who will be exhibiting there.

Another key factor in deter-mining the sort of franchise you can take up is the amount of finance available. Potential franchisees must have access to at least some of the start-up capital required, whether this comes from life savings, an inheritance, redundancy payments, or from selling the family home. Mr Patrick Salaun, says.

Others, bowever, are "good ideas" not yet properly developed and may be run by people who are inept at either the business or franchising. "A few are actual 'confidence games," and the franchisor bas no intention of providing a lamily home. Mr Patrick Salaun, franchise manager at Barclays Bank, points out that "bankers naturally like to see some financial commitment from the franchisee and would expect this to be of the order of 33 to 50 per cent of the total setting up costs, depending on the up costs, depending on the ebaracteristics of the franchised

banks is that it is in their not needed but are based on the interests to thoroughly vet the individual providing a service

Finance package

For the well established fran-chise operation, the banks now have developed custom-tailored finance packages for new fran- more. chisees. These might include overdraft facilities, short-term loans of between five and 10 years to finance the start-up costs, and personal and business Interest rates charged are usually in the range



Richard Cart, Wimpy franchisee with o marketing eye, has invested £1.5m and expects £300,000 pre-tax profits this year

manager wbo makes the lending decision since it is he who sees the individual franchisee and has local knowledge of the area," Mr Salaun says.

He also emphasises that "a supportive bank does not con-fine itself to belping the fran-chisee establish himself in the early days of bis business, but goes on assisting him at all stages of his development."

Choosing a franchise is also determined to a certain extent by the amount of finance avail-able—both from borrowings and from a franchisee's own re-sources. Experts point out, howsimply because it is the only one you can afford—rather than on the basis of what you may be good at—may not encourage

Service

Cost of new franchises vary considerably and, like most things, cost more each year. When Dyno-Rod franchises were first offered in the 1960s, they could be obtained for as little as £500. Now, it coold cost you £150,000, although annual earnings of between £25,000 and £30,000 can be expected.

At the lower end of the cost scale are the so-called "job franchises," where premises are franchisor—so you can be fairly such as bome decorating or confident that the bank's con-repairs. These fraochises can cost as little as £6,000.

your choice ought to be sufficient guide to whether it is worth going ahead or whether there are danger signals.

Other service franchises—such as word processing or home beauty treatments—can cost from between £10,000 to £15,000, from between £10,000 to £15,000 t while most retail franchises are in the £20,000 to £30,000 range at least. Restaurant franchises are the most expensive—costing at least £50,000 but often a lo

Having chosen and acquired a franchise, is it then all worth it? Prof Stanworth's survey they were being "over-super-vised."

"Franchisees' independence charged are usually in the range of from 2.5 to 4 per cent over the bank's base rate, depending on the quality of security offered.

Although the banks' franchise because the most of franchises carefully support that allows them real of the control of security and support that allows them real of the control of the control of security and support that allows them real control of the control of the control of security and support that allows them real control of the c ment of franchises carefully, support that allows them real the actual lending decision is independence in many other made at branch levels. "In all cases it is the local branch worth points out.

CASE STUDY: AGNES GREGORY



From here to maternity

CIVIL SERVANT Mrs Agnes Gregory, with four grown-up children, was bored with ber routine life in a government department based in Man-chester. She felt it would be fun to run her own business. She decided at an early stage

that a franchise seemed like a better idea as it provided the guidance and experience of a successful organisation while also retaining the indepen-dence she originally wanted.

Fashionable

Mrs Gregory first asked about setting np a Pronuptia bridal wear shop, a franchise operated by the Young's Franchise Group, but quickly became more interested in details about the La Mama franchise, which aimed at pro-viding fashionable maternity wear. " After all, I've had four children myself, so I should

Mrs Gregory was also able to secure a £20,000 loan from National Westminster and have acress to a further £5,000 overdraft facility. She was given extensive

training in operating o shop by Young's, including how to train ber own staff and bow to cope with the clerical work. Since ber La Mama maternity wear bontique opened in July, she has been given continual advice, assistance and back-up by Young's. "One of the great advan-

tages of owning a La Mama franchise is the opportunity of running your own business without being totally alone," she says. "The staff at head office are literally a phone call away and that's a terrific comfort to me in my first months in business."

Mrs Gregory sees very few drawbacks at present. "You are never 'totally' your own boss-but if you compare the risks, o franchise works out CASE STUDY: RICHARD CARR

Burger breakthrough

Wimpy franchisee more by occident than design. After catering and botel management business, he decided to invest family money in a Golden Egg restaurant in Bournemouth, which was being sold off by United With a keen marketing eye,

be ebanged its name to Hamby and used a togo design very similar to Wimpy's. The move, not surprisingly, ottracted attention from Wimpy as well as a threatened court case. At that stage, Mr Carr decided it was simpler to join the "opposition," so in 1981 be took out a Wimpy fran-ehise in Boscombe, "The outlet did not operate profit-

ably for some months, partly because of the economie

elimate in the area at the time," be recalls. Wimpy gave him support and eventually the Boscombe ontlet started trading profitably. However, Mr Carr realised the winter cash flow problems

of operating in a seaside town would continue to be a problem for him, so he decided to move to London where all year round trading was possible.
At the end of 1982 be bought a Wimpy restaurant off Oxford Street, and then

this year took on the fran-chise at an ontlet near Victoria Station.

opeoed o new restaurant in Guildford. He set up a com-pany to run the operations, called Allied Restaurants, and

Apart from the famtly money used to open "Hamby" in Bournemouth, Mr Carr has relied on finance from

Mercantite Credit and to a tesser degree from National him 60 per cent of the total cost, providing be was able to come up with the remaining 40 per cent. This be has been able to do through using the

stores. Wimpy franchisee, Mr Carr bas invested £1.5m and this year his company expects pre-tax profits of £300,000. including interest charges of £80.000.

He believes Wlmpy offers He believes Wimpy offers a potentially different type of franchise to many of the smaller operations. "It can be an investment franchise." be says. "You are more likely to be running your own business and see it grow, than to stay smalt with one ontiet."

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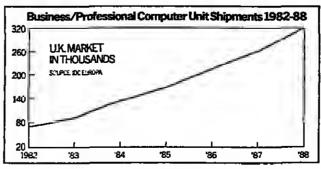
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A boom to match that on other side of Atlantic

Europe GODFREY GOLZEN

THE DOMINANCE of franchis-

ing in American retailing, where it now accounts for e third of national turnover, is often quoted as a portent for tha future of shopping in the UK. But not all American trends cross the Atlantic, so it is even more impressive to point to the fact that retail franchising on the Continent is already approaching U.S. proportions.

Italian-based Benetton's turn-over has risen from £27m in 1978 to £200m in 1983, from over 2,000 franchised outlets. In France, Phildar, another clothing franchise, has a similar number and in Belgium there are two supermarket franchises, each with 250 shops.

franchises in Europe with more than 100 outlets and a large number with over 50. In the UK only a handful have achieved that kind of spread.

There are few conurbations in precisely this way.
outside Paris. That makes sel- "You've got to i

ling to independent stores a very cumhersome and expensive operation and some French fran-chises resemble a kind of wholesaling on the model of the country.

UK. Between 3 per cent and 7 per cent seems to be about the norm and indeed some franchisors work purely on the basis of e mark-up on supplies. That is true of the best known of the French franchises to have penetrated the British market, the cosmetics firm Yves Rocher It is also the way Benetton

Biggest impact The European franchise that

has made the biggest impact on the British market, though, is the French bridal wear company Pronuntia. In fact there are around 40 Its 70 shops are operated here under licence by Edward

Young, whose interests originally were in hiring out men's formal wear. Pronuptia is not thought of as an im-Though franchising is growing rapidly throughout Europe, it is in France where it has become most firmly established, particularly in clothing and fabric retailing. One reason for this is thought to be the geographical structure of the French market.

There are few congruptions is not thought of as an imported franchise at all and in the opinion of Mr Duncan Whitfield, chairman of Home Tune, licensing rather than direct control is the right way to expand a franchise into another country. He is currently launching Home Tune in France in precisely this way.

UK's tied pubs, rather than the detailed business format which is usually worked out in this It also means that royalty levels are lower than in the

> one on the ground thoroughly understands consumer preferences and

which franchises are succes in various countries. food basn't really got anywhere education may account for the fact that one extremely success-

spread here — Portas, which renovates front doors. It re-quires a considerable degree of habits. A method of operational skill in carpentry, which the ing thet is successful in one German apprenticeship system country won't necesserily travel produces to a greater degree to enother in its entirety — or than ours.

at all."

On the other hand, Portas is
Mr Whitfield says that cultural and socio-economic other EEC countries, where
differences are reflected in bome meintenance is a booming franchise area.
There ere elso regional differences to take into account, Mr Whitfield is launch-

in France, but in West Germany, where there's less variety, the Wienerwald restaurants have done very well."

He thinks that differences in lf something doesn't work in the provinces, It won't work at "You've got to have some ful German franchise has not

Although Mr Whitfield is

林林 spending e good deal of time in France — he speaks the language fluently — he is leaving the actual setting up of the franchise to his French licensee. He regards him as a partner, rather than as a franchisee on a larger scale, and is expecting only a modest 2 per cent

Computerland's Manchester store, one of the company's Europe, due to expand to 70 by the end of the year. The California-based corporation, founded in 1976, has stores in 12 European countries plus Israel, and about 700 stores in 24 countries worldwide,

ing only a modest 2 per cent royalty from the arrangement. "If the originator tries to take too much from the licensee, the balance of mutual advantages between franchisor, franchisee and customer, which is the basic principle behind franchising, can't operate."

It is this self-regulating fac-tor which he hopes will control

The Treaty of Rome has al-ready outlawed the allocation of exclusive territories to fran-chisees, but the federation has successfully resisted a move to abolish tied purchase agree-ments which are necessary to maintain quality control in cer-tain types of franchises. For a skilled artisan the franchise is almost a 20th

franchise is almost a 20th century guild which provides a name and guarantees a product. Stained Glass Overlay, like Postal Instant Press, various photo finishers and Computerland sell e skill through a ventionist consumer legislation bas stopped franchising in its tracks in several states and he bopes this will not happen here. The European Franchising Federation's Code of Ethics, modelled on the BFA one, is designed to satisfy legislators that franchising combines an adequate degree of consumer protection with the urgent need to create more small business

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Success still breeds success

United States FRANK LIPSIUS

FRANCHISING IS still growing in America, with new products such as customised stained glass windows joining the ranks of the original franchising fast-food and hotel businesses and even entering unlikely fields such as banking and business brokerages.

business brokerages.
Franchises were worth \$436m in sales in 1983, according to the U.S. Commerce Department, represented a third of American retail sales, 5m jobs and 15 per cent of the country's gross national product. In 1984, the ladustry expects a growth of 9 per cent over 1983 are moving abroad, a trend to which McDonald's in London and the Champs Elysées already

15 years. The growth rate reflects the testify visibly.

Ontinued success of such The International Franchise usinesses as McDonald's and Association notes that two-fifths continued success of such businesses as McDonald's and Holiday Ions, but also extension of the field into more marginal

Money to be made

There is of course money to be made in Edie Adams Cut and Curl, Cottman Transmission (for cars) and H and R Block income-tax preparations. But income-tax preparations. But operates any or tax shows Mr Stan Luxenberg notes in the U.S. Benetton opened its his Roadside Empires, the first first shop in New York only four history of franchising, that years ago showing the value of many more franchises—like any franchising for rapid expansion without the need of great business-fail than succeed.

The major franchisors make it harder for franchisees to grow rich. When Kwik Kopy, a Houston-based franchisor, had only 150 outlets in 19/5, it charged \$8,000 for a new unit, while the price tripled to \$29,500 in 1980 when the number of outlets also tripled to 470.

We Luxenberg estimates that

much more than \$25,000 a year

from one outlet."

Franchising has slowed down
Hurting the success rate can with the falling growth in shophe the company itself. As ping malls, where American
franchise is almost a 20
Mr Luxenberg notes, "Franfranchises thrive. The decline century guild which provides he the company itself. As ping malls, where American Mr Luxenberg notes, "Franchises thrive. The decline chise companies often set the reflects a demographic change rules of the chain so that company-owned units operate into town centres, which are inspiring a new generetion of constituted mediums."

Franchisors have no compunefranchisers have no compune-tion about putting new units next to existing ones or letting franchisees test new areas that will then be filled with company-owned outlets if viable. But franchising remains an attrac-tive way to own one's own busi-ness with a selection at present

and tha Champs Elysees already ing. with First Interstate Ban-

of its 480 members are operating abroad, with many others intending to go the same route.
One foreign franchisor, Benetton clothes, has made stunning inroads in America, as well as Europe. Expecting this year to get 8 per cent of the company's estimated \$800m revenues in America, Benetton operates 180 of its 2,600 shops in the U.S. Benetton opened its without the need of great

Mr Luxenberg estimates that tinue to grow both in and out of saddled with royalty payments and advertising costs, more operators cannot expect to earn able alternative to its own lack-

lustre chain of restauarants.

eway from suburbs end back into town centres, which are inspiring a new generetion of specialised products, like Mail Boxes, a post-office style service that beats the Government hy staying open all night and taking a variety of messages.

VR Business Brokers sells the idea of chard littings and

idea of shared listings and aggressive solicitation for businesses that might be for sale. The franchisee pays \$22,500 to share the name and the lists, with commissions divided between brokers, with VRBB getting 6 per cent of a company's gross income as its royalty.

Sharing benefit

corp spreading to five states from its Los Angeles base. Franchisees of the bank use its name, data processing and auto-matic teller machine network while sharing the henefit of national advertising. Urbanisation is also forcing

franchising to meld with exist-ing city businesses. Such "conversion franchising "works well in real estate, where Sears, Roebuck and Company and Trans World Corporation heve big names (Coldwell Banker and Century 21) to promote efficiency in the business with regional lists and a bighly recog-nisable signboard. The signs jump out of the landscape after

McDonald's which increased its advertising from \$154m in 1982 to \$186m in 1983. As the field becomes more specialised, there

or sells a product it can con-

Franchisors turn apprenticeship into a fee and lessons, so

familiar name

that peopla can perform a service without baving a background in glassblowing, elec-tronics or photography, Patented process franchising can prove to be dangerous if

can prove to be hangerous if technology changes too fast to maintain premium prices on new products. Photo finishing has been hit by great compet-tion since the difference between one hour and two is usually more in cost than con-venience. The franchisee suffers first rather than the parent company

promised itself a cut of all future profits.

Franchising fraud laws have bad to be introduced in 15 franchises to turn into door-todoor pyramids.

The Federal Trade Commis-sion requires that franchisors provide a disclosure document that covers 20 subjects a franchisee must be told about, covering renewals, transfers and terminations. The industry boasts that only

3 per cent of franchisees go bust while 65 per cent of all news businesses fail within five networks advertising.
So, not surprisingly, the largest franchisors are among the largest advertisers, led by McDonald's which increased in accumulate, while the failures each happen only once.
While 20 per cent of new franchises fail in the first year.

becomes more specialised, there is also a growth in "patent franchising." Here the farilure rate falls to 3 per franchising." Here the franchisor teaches unique skills success once initial failures are

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Convenience stores are one of the fastest growing sectors in U.K. retaining Specrops are the most successful company in convenience stores. A Specrops franches gives year, A franchise programme devised by Europe's most successful professionals, e brand image created by Europe's most successful designers, e marketing support that creates success from day one More important, you have a uniquely agilighting business. We have a number of sites available for franching in 1955 and 79% back financing is available on the £90-150.000 (niestment, Contact us today.

British Franchise **Association**

DAVID CHURCHILL BRITISH Franchise

Association is developing rapidly in line with the fast growth of the business-format franchising sector and looks set to continue to be a key force in the development of franchising in the UK.

The association was formed early in 1977 to help weed out the cowboy operators who were beginning to give franchising e bad name and to establish guidelines for operators.

In particular, the well-publicised pyramid selling scandals of the late 60s and early 70s did considerable damage to the public awareness of franchising, even though pyramid selling was only a tiny part of the franchise

eight large UK franchising com-panies to form an association of franchisors.

One of the essociation's first

ness to ebide by the code of had been responsible for giving the association such a strong start nver the past six years.

Mr Dutfield is on secondment

Force for more regulated future

tasks was to establish a code of ethics. Mr Tony Dutfield, the code has since been proved time and time again by events, and today it stands unamended and accepted by the industry and the country at large as the benchmark for professional, properly - constructed fran-

The 10 paragraphs of the association's code include endorsing the Advertising Standards Authority's rules on ing their franchises but are advertising ethics, and seeks lo eventually to reach full member advertising ethies, and seeks lo ensure that franchisees are given the fairest possible deal.

Mr Dutfield adds that "tha establishment of the atandards and the task of educating companies into the industry to meet these standards has been one the standards has been one th

The association carries out a how to properly construct and screening of new applicants for operate their own franchise the three-day exhibition. membership which covers a complete check of the franchisor's He took over as director of tion's address is: Franchise A. only a tiny part of the franchise movement.

The damage done, however, nation of its legal agreements with franchisees, its willing
was enough to bring together with franchisees, its willing
Includes any part of the franchise ble took over as director of tion's address is: Franchise the association earlier this year Chambers, 75a Bell Street, after a year as chairman. He Henley-on-Thames, Oron RG9 replaced Mr Tony Jacobsen who 2BD. Telephone: 0491 578049.

Still developing There are two membership

grades: those companies with full membership that have been trading for some tima and are established franchisors. Qualified non-member companies are those which are still develop-

The membership proposal is from Wimpy International, placed before the association's where he is e senior manager, present director of the essocieexecutive committee and is and is also chairman of the
tion, says that "the value of the
afterwards proposed at a Take Away and Fast Food
code has since been proved quarterly council meeting.

Federation.

Federation.
The association's office last year handled over 10,000 inquiries from prospective franchisees, franchisors, and the general public. More than 2,000 executives have attended association-sponsored seminars and conferences and this year Mr Dutfield and his colleagues have been actively lobbying MPs to make them aware of the contribution franchising makes to the economy.

The association is also spon

soring next week's national franchise exhibition which is being held at the Kensington Exhibition Centre in Derry these standards has been one of the major tasks of the association."

emerged from the accreditation Street in West London. Over procedure a great deal wiser 60 exhibitors will appear at the and better able to understand exhibition and special seminars will be taking place throughout The British Franchise Associa-

Nothing franchising in Europe rather than EEC edicts. As chairman of the European Franchising Federation, he is uncomfort-ably aware of this possibility. succeeds like success The USA's foremost profitmerating service organization is

In the U.S. excessively inter-

ServiceMASTER

PASSport to SUCCESS UK PREZ & CO have over 25 years of success in the treatment of Woodworm, Dry Rot and Rising,

equipment plus full supporting technical and marketing back-up, the system has now been full

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Slana kpublic er

O BORN

FINANCI

Media

Media Technology Interna-tional, which supplies technic-ally advanced equipment and services for the film, television, theatre and professional photo-graphic industries plans to jum

Its biggest subsidiary, Joe Dunton Cameras, which ac-counts for roughly two-thirds of group profits, provides a rental service, mainly to film production crews requiring cameras, lenses and ancillary equipment.

The balance of the group's filters and camera filters. Lee accounts for mure than 75 per cent of the UK colour filter market, and plans to double its capacity this year to assist its overseas expansion.

years to last May.

The hiccup was caused by the late receipt of bills from Lee's main supplier, which artificially chifted and disproportionate.

Hawtal Whiting heads for USM

BY ALISON HOGAN

Hawtal Whiting, an automotive design engineering consultancy which has worked for several major car manufacturing com-panies, is coming to the USM with e market value of about £12.5m next week on a p/e of between 10 and 11.

Less well known than the famous car stylists Pinlofarina or Guigiaro, Hawtal Whiting established in 1970 by its three established in 1970 by its three directors, concentrates on the engineering of the car rather than its appearance. The staff of more than 300 will redesign a four-door saloon into a five-door hatchback, or construct a new bumper using lighter but stronger material.

HW Structures is concerned with testing and developing

with testing and developing prototypes, including the examining and evaluating of different materials testing structures and estimating crasb predictions. The company has worked an alreraft and further non-automotive con-tracts are likely.

The design and engineering division is the main part of tha **BOARD MEETINGS**

Interims: Det 16

take concept studies into a new car or adapt an existing model to a particular market. It has also built up a business in supplying akilled ataff to companies who prefer to buy in n team on a consultancy basis to either replace or complement an in-house group.

General Motors in the U.S. is its main client, though it has contracts with other companies too. About 30 per cent of the current year profits will be derived from this source.

After a varying trading record, depending in part on the timing and flow of key contracts, the company is coming through strongly in the current year fore-

the year to January 10 on turn-over which will more than double from just under £6m
In 1983 it made a pre-tax loss
of £112,000 on turnover nf

About 15 per cent of this year's income will be currency gains from the strengthened dollar.

The directors feel that the company bas developed a broad enough base and sufficient capacity to ensure a more sleady flow of income in the future. General Meters accounts for 89 per cent of turnover io the current year, spread between different GM

divisions. Hawtal speot £750,000 earlier this year os computer aided its main client, though it has design equipment and is raising contracts with other companies about £330,000 in new shares to too. About 30 per cent of the meet some of the cost. The current year profits will be rest of the money will go to the directors.
Simon & Coates wil be placing Simon & Coates wil be placing 25 per cent of the lasued share capital on Monday and dealings are expected to begin an Octaber 15.

Tops £3m

Johnston first half downturn to £1.6m

LOWER PRE-TAX profits, down from £1.83m to £1.59m, are reported by Johnston Group, civil and mechanical engineer, for the six months to June 30 1984. Group turnover increased by 12 per cent from £25.24m to £28.31m, and this increase was more than accounted for by the work carried out in the Turks and Caicos Islands on the con-tract to construct a holiday village for Club Mediterrance. on which contract virtually no profit has been taken within these figures.

Turnsver on esgineering was marginally below, and in civil engineering supplies marginally above that for the first six menths of 1983. The engineering companies performed sali factorily during the first ba-deapite a continued loss to the group's North American 5u

group 5 N9749 American our sidiary.

In civil engineering supplies the roadstone activities per formed well and earned good profits. The companies involved in the manufacture of concrete and American profits in the manufacture of concrete and American profits have in the contract of th and Armaflo pipes bave, in pre-vious years, bene9ted from th high production levels an improved profit margins obtain able from substantial expon

orders.
It has been apparent for some time, says Mr W. G. S. Jehnston, the chairman, that the group could ne longer rely on such orders, partly because of the disturbed political situation in the Middle East.
It is anticipated that profits for the year will be in the rance.

It is anticipated that profits for the year will be in the range of £4m to £4.5m despite the largely non-recurring exceptional costs incurred in civil eogineering and the absence of any aubstantial export orders for Armafio pipes. In 1983, pretax profits were £5.9m.

After tax down from £868,000 to £734,000 and dividends unchanged at £250,000, retained profits were £604,000 against £714,000.

Western Motor

Progress towards restoring profitability bas been shown by Western Motor Holdings for the first half of 1984, with pre-tax losses considerably reduced from £440,000 to £53,000, and profits of £298,000, against losses of £31,000, set the operating love! at the sperating level. Interest costs absorbed £404,000 (£409,000).

(£409,000).

The directors say a substantial improvement has been achieved in the car delivery divisigo.

C99ditiens in the retail moter trade deteriorated in the second quarter with intense pressure en margins.

Accordingly, all activities are uoder detailed review, and the Nissan franchise at Cheltenham is to be terminated.

nated. Negotiations for disposal of related freehold properties have reached an advanced stage.

Turnsver for the six months came to £19.85m (£19.73m).

There is again no dividend—the last payment was in 1980.

Losses per 25p share are shown as improving to 4.48p (17.26p).

FT Share Information

first balf 9f 1984, and the oet interim dividend has been cut from 4.25p to 1.5p. The directors say that profits for the current year will be substantially lower than the £1.1m schieved in the last full year.

The following securities have been added to the FT Sbare information Service:

Bell Resources Ltd (Section: Oil and Gas). Osceolo Hydrocarbons (Oil and Gas). Sonthead Stadium (Property).

PARINGA MINING AND

Issue of up to 3,541,105 Options to subscribe

The Options are to be issued as part of a rights issue of up to 3.541,195 new

The new Ordinary Shares and Options are to be offered pursuant to a Circular which is expected to be despatched in the shareholders of the Company on 17th October 1984. Up to and including 12th November 1984 the rights to the new Ordinary Shares and Options will only be deak to together. From 13th November 1984 the Options will be dealt in separately from the new Ordinary Shares. The Council of The Stock Exchange has admitted the above-mentioped securities to the Official List.

Particulars of the Options are swallable in the Extel Statistical Service. Copies of such particulars may be obtained during normal business bours on any weekday (Saturdays excepted) up to and including 12th November 1984, being the last day for acceptance and payment for the new Otdinary Shares and Options, from:—

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SHARE CAPITAL

Authorised 1,000,000

in Ordinary shares of 10p each
71 per cent Convertible
Unsecured Loao Stock

In connection with a placing by Quilter Goodison & Co. of up to 2,168,750 new Ordinary Shares of 10p each in the capital of the Company at 70p per share and up to £1,445,833 74 per cent Convertible Unsecured Losn Stock 2014, at par, application has been made in the Council of The Stock Exchange for the grant of permission for the whole of the issued share capital of the Company to be dealt in the Unissed Securities Market. A proportion of the shares and the stock being placed will be available to the public through the market. It is emphasised that no application has been made for these Securities to be admitted to the Official List. Particulars relating to the Company are evallable in the Extel Unlisted Securities Market Service and copies of such particulars may be obtained during normal business hours on any weekday (Saturdays excepted) up to and including 31st October 1984 from:

Quilter Goodison & Co. Garrard House, 31-45 Gresham Street, LONDON EC2V 7LH

EQUITIES

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FIXED INTEREST STOCKS

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"RIGHTS" OFFERS

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PENDING DIVIDENDS

Dates when some of the more important company dividend statements may be expected in the next few weeks are given in the fellowing table. The dates shown are those of last year's announcements except where the ferthcoming board meetings (indicated thus*) bave been officially notified. Dividends to be declared will not secessari

	year."	amounts in the column beaded
_	Announce-	CroslieldOct 16 Interim 2.25
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Todav's Rate 11%

3i Term Deposits

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Terms (years)	3	4	5	6	7	8	9	10	
Interest %	11	11	:1	11	11	11	11	71	

Technology placing to raise £3m

the USM later this month.

profits come from Lee Filters and Lee Filters Developments, which make colour control lighting

The placing price has yet to be finalised, but brokers Russell Wood are planning to offer roughly 2.5m shares at between 110p and 120p. That represents 25 per cent of the total equity, 25 per cent of the total equity, which is valued at £12m assuming a 120p placing price. The company aims to rise £3m, half of which would be new capital to finance further expansion, with the balance to come from shares to be sold by the directors. Joe Dunton bas recently acquired new premises in Wembley for £1m, to replace its existing rented beadquarters. Group profits declined from £345,000 in the year to May 1981, but climbed steadily from £495,000 to £1.57m in the three years to last May.

BY ALEXANDER NICOLL

BY ALEXANDER NICOLL

BY ALEXANDER NICOLL

Pifco Sid in recent years, with the pre-tax result in the latest year, at £1.55m, only slightly up from the previous year's £1.42m. Pifco said the ecquisition will the pre-tax result in the latest year, at £1.55m, only slightly up from the previous year's £1.42m. Pifco said in its recent annual report that it was adopting a new strategy of concentrating more on up-market products designed to hoost turnover. Announcing the agreement in principle to buy Swan, it said it believed the purchase would improve its positinn in the latest year, at £1.55m, only slightly up from the previous year's £1.42m. Pifco said in its recent annual report that it was adopting a new strategy of concentrating more on up-market products designed to hoost turnover. Announcing the agreement in principle to buy Swan, it said it believed the purchase would improve its positinn in the breath of the first products and in the second of BSR's and second of BSR's and second of BSR's and second of BSR's and second of Pifco's existing report that it was adopting a new strategy of concentrating more on up-market products designed to hoost turnover. Announcing the agreement in principle to buy Swan, it said it believed the purchase would improve its positinn in the housewer market. Swan-brand Mr Micbael Hartland has

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Victory.

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1.000

, 175, 14**7**

per share.

shifted a disproportionate amnunt of costs from 1980 into 1981. Inadequate control of base material wastage, which has sales of £12.8m in the year to since been corrected, also con-April 30 1984. Pifco's own profit tributed to the downturn.

Turnover

Profit before Tax

Earnings per Share

Dividend per Share

At £10,889,000 pre-tax profits are increased by 48%.

A substantial element of this improvement is attribut-

able to profits earned in the U.K. which, as anticipated,

have not attracted any significant additional taxation.

Earnings per share have increased from 4.49p to 8.06p

U.K. profits are a product of maintained performance

on the transportation side, coupled with substantial

improvements in engineering with particular emphasis

\$100,000,000

Republic of Portugal

Floating Rate Notes Due 1992

In accordance with the provisions of Notes, notice is hereby given that for the six month Interest Period from 5th October, 1984, tn 9th April, 1985, the Notes will carry an Interest Rate of 12% per annum and the Cnupen Amount per U.S.\$10,000 will be U.S.\$620.00.

Merrill Lynch International Bank Limited

Agent Bank

of Staffordshire

Government Secs.

Fixed Interest.....

Industrial Ord

Gold Mines 575,9 576.0

misiness which can either under-

Pifco expands with £10m buy

BSR, the Hong Kong-based and o and electronics group chaired by Mr Bill Wyllie, bad previously announced its intention to sell Swan, which makes small electric appliances and cookware, because of BSR's derivate forces on the electronic state. desire to focus on the electronics industry.

a. April 30 1984. Pifco's own profit perties valued at £2.5m which performance has been dis-BSR will retain, were £10.7m.

International Engineering, Transportation and Trading

1983/84 RESULTS (unaudited)

* Improved earnings and increased dividend

Mitchell Cotts plc, Cotts House, Camomile Street, London EC3A 7BJ. Tel: 01-283 1234. Telex: London 8814641.

Years ended 30th June 1984

376,876

10,889

6,152

estates have advanced considerably.

have been established in recent years.

report that it was adopting a new strategy of concentrating more on up-market products designed to hoost turnover. Announcing the agreement in principle to buy Swan, it said it believed the purchase would improve its positinn in the houseware market. Swan-brand products include kettles, saucepans and toasters.

£000s

7,377

3,269

4.49p

P. P. Dunkley

U.S. \$250,000,000

Crédit Lyonnais

Floating Rate Notes Due 1997

In accordance with the provisions of the Notes, notice is hereby given that for the six month Interest Period from

sth October, 1984 to 9th April, 1985 the Notes will carry an Interest Rate of 12% per annum. The interest amount payable on the relevant Interest Payment Date which will be 9th April, 1985 is U.S. \$620.00 for each Note of U.S. \$10,000.

on chemicals. Overseas, South Africa and Australia

remain depressed. In East Africa profits from the tea

Despite continuing economic problems in South Africa

and Australia, the improved dividend should be taken

as a sign of confidence in the sound strategies which

Mhm berny. P. P. Dunk

405,319

Mr Micbael Hartland has

rights for acquisition

reaigned as managing director of A. J. Worthington, the loss-making Staffordshire textile company. He stepped down from the chairmanship last menth in favour of Mr Sidney Friedland, who bad acquired a 14.9 per cent stake in the company tegether with Mr Jack Grant.

Slockbrokers Quilter Goodison are arranging a placing of £3m worth of shares and lean stock in Tops Estates, the properly group floated on the USM by Trust of Property Shares last year.

Tops announced last week that it was to acquire Mark Rowlands, a Leeds-based properly group, in a deal which would lift its net worth from £990,000

The £3,55m consideration is to be financed by a rights Issue of three new Tope shares at 70p and £2 nominal of 7½ per cent convertible unsecured loan stock at par for every six Tops'

Comet investments, a company owned by the family interests of Mr Everard Goodman, Tope' chalrman, has rengunced its rights in respect of 73.56 per cent of the share capital because Mr Condman wigher. because Mr Goodman wishes to broaden the sharebolder base. Trust of Property, an authorised investment trust 55 per cent-nwned by Mr Goodman's family, is unable to take up its rights in respect of 8.5 per cent of the Tops equity without losing its authorised investment trust

Quijter is placing the re-nounced shares and stock, in-cluding 2,168,750 sbares at 70p and £1,446,000 loan stock at par. Three-quarters of the placing has been taken up by the institu-tions, leaving £361.459 lean stock and 542.187 sbares now available to individual investors. Following the issue, more than 40 per cent of Tops' equity will be in public bands.

Bruntons slides

SEVERELY reduced pre-tax profits of £375,000 against £804,000 bave been produced by Bruntons (Minsselburgh) for the first balf of 1984, and the oct

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. It does not constitute an invitation to any person to subscribe for or purchase any options or shares.

EXPLORATION COMPANY, P.L.C.

Ordinary Shares of the Company

Ordinary Shares of 5p each of the Company in the proportion of one oew Ordinary Share and one Option for every 5 Ordinary Shares held at close of business on 12th October 1984 (fractions being disregarded) at a price of 89 cents (Australian) for each new Ordinary Share and I cent for each Option. Each Option will entitle the holder to subscribe for one Ordinary Share of 5p in

Laine & Cruickshank

8th October, 1984

Credit Suisse First Boston Limited Agent Bank

CAPITAL & COUNTIES PROPERTY INTERNATIONAL NV

U.S.\$25,000,000 9 per cent. Guaranteed Bonds 1988 (the "Bonds") Notice is hereby given to holders of the Bonds that U.S.\$2,500,000 nominal amount of Bondspurchased in the market will be applied at par in satisfaction of the annual redemption instalment for the year to 1st

Following such application the nominal amount of Bonds ootstanding will be U.S.\$10,000,000.

Principal Paying Agent: J. Henry Schroder Wagg & Co. Limited 120 Cheapside, London EC2V 6DS

734.7 43.5

536.71 51.98

580,5 5S8.6

FT Agt AM State ... 534.99 580.43 528.79 527.41 531.97 S3S.86 538.71 464.84

TAFFORDSHIRE

Famous world-wide for its caramics. North-Stationdrive names the Royal Coulton, Spode, Wadgwood, Coalport. Stationdrive Polision and others earn the U.K. £120 million in exports yearly. Proving that Stationdature is the perfect setting for business success.

Staffordshire

FINANCIAL TIMES STOCK INDICES Sept. | 28 | High

1264 · Sinca Compilate
Low ' High Low 80.91 80.54 80.80 85.77 75.78 127.4 49.18 80.88 80.89 .81.00 84.43 84.25 84.87 87,48 80,45 150.4 60.65 84.70 84.51 84.49 867.4 658.9 856.9 866.4 922.2 765.3 a22.8 49.4 863,8 857.8

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LADBROKE INDEX Based on FT Index 858-862 (-2) Tel: 01-427 4411

Closing prices, October 5

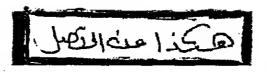
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عكذا من النصر



AMERICAN STOCK EXCHANGE COMPOSITE CLOSING PRICES

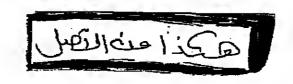
Closing prices, October 5

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Continued Cont	367, 214, VFCp
	WORLD VALUE OF THE POUND every Tuesday in the Financial Times

WORLD VALUE OF THE POUND

WORLD STOCK MARKETS

TOWNS OF THE COUNTRY AND
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Property



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WORLD STOCK MARKETS

OVER-THE-COUNTER

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omp'e'te				163.50	184.62	185.28	(24 7)	110 10 183+ 172_15 10 10.931	11.63
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BELGIUM Belgian SE -51 12 65-	161.07	150.75	181.65	161,82	165.38 - 14 9 -	155,28 14 1,
DENMARK Copenhagen SE :3 1 63:	170,96	170_75	167.32	t67, 1	225,21 120 11	157,1 12 10:
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HONG KONG Hang Seng Bank \$1.7 64	574,17	989,47	151	965.1	1170,55 :19 5.	748.02 115 8
ITALY Banca Comm Ital. (1972)	215,04	210,41	215.59	214,35	225,57 -1:21	192,08
JAPAN** Nikkel Dow : 16 3 49: Tokyo SE New :4 1.68:	10737.58 656.91	10642,97 830, 17	10587.38 817,97	10540.03 815,32	11, 190, 17 +4 3 · 876, 62 ·2 4 ·	8703,35 :23 7: 730.45 :4 1:
NETHERLANDS ANP CBS General 1978: ANP-CBS Indust: 1978:	174,8 15é,3	172,0 134,5	172.7 134,0	173.5 154.6	178.9 :1 2: 1-7.2 (1 2)	146.8 · 24 7; 118.7 · 18 6;
NORWAY Oslo SE (4 1 85-	253,87	251, 18	249,41	251.38	299.70 19 51	223.67 (4.1)
SINGAPORE Straits Times : 1956:	870.61	884,54	081,75	063.64	t071,91 :02:	867.26 - 12 7
SOUTH AFRICA Gold (1958- Industrial (1850)	1820,] 862,2	=	1023.9 855.8	898.6 855,8	1075,6 ·5 6· 1105,5 ;26 5·	738.1 :24 1. 853,5 :16 9.
SPAIN Madrid 3E :30 12 651	155.47	153,01	131.99	150.58	155.47 (5 10)	101,02 -5 1;
GWENEN Jacobson & P. 11 1.58;	1456.7	1442,8	1432.28	1452,78	1534.5 (3.2)	1.308.08 -29 3
SWITZERLAND SWIESBANK COM. 31-12-58,	373,8	373,5	3,2,8	373.7	388,5 13 1,	354,5 125.7,
WORLD Capital Inu. (1 1 76)		181,5	190,6	191,0	150,6 (3.5:	164.5 (24 7)
مرجع المستحدث						

Calculating the cost of asbestos claims

هكذا منهالتصل

asbesios related injuries in the U.S. have already turned out to be the largest natural a long time to reveal themselves the facility agreement sets to be the largest natural disaster to hit world insurance and reinsurance markets.

It is estimated that there are more than 30,000 individual claims at various slages of processing and about 500 claims are being made per month. The insurance industries are still not able to quantify the ultimate cost of asbestos-related

the costs in the London market, though much of the llability has been passed on to the reinsurers. The London company market involvement has been mainly through amaller companies on the fringe. The main British composite com-

companies on the fringe. The main British composite companies have little exposure to asbestosis, fortunately for them, since they have more than enough problems in their U.S. operations.

Asbestosis has posed the most serious claims problems ever encountered by the world insurance industries. In the opinion of Mr Robin Jackson, the underwriter of R. A. G. The prime motivations for opinion of Mr Robin Jackson.
The underwriter of R. A. G.
Jackson and others, one of the
Merrett syndicates, and chairman of the (London Market)
Ashesios Working Party, the
seriousness of the problem lies

being looked at emotionally by

U.S. couris.

The couris are not only awarding very high damages lo claimants, they are giving an increasingly broad interpretation of the insurer's liability

ASBESTOSIS AND inther which insurers are obligated to tion on behalf of the insured in

a long time to reveal themselves in individuals — 15 to 20 years or more — compared with other dust laden diseases. The claims the investment of the collegation will then be a section of the collegation of the collegation will then be a section of the collegation of the collega being made against insurers are taken over collectively by the under policies issued decades Facility. ago. Underwriters and policy drafters at that time had no idea such diseases existed let alone the claims potential.

The Corporation of Lloyd's has borne the main brunt of the costs in the London market.

insurers and the reinsurers.
Disputes between industrial companies and their insurers over when the liability is triggered: when it comes into effect and when the insurance cover is exhausted have been somewhat acrimonious.

The prime molivations for creating the facility were the need to find a satisfactory means of solving the various develop a reasonable and pracnol only in the size of claims but in policy interpretations.

Mr. Jackson considers the latter feature the more important one impinging on the latter feature.

The first problem facing insurers was which policy applied for the particular claim the policy in force when the

The impact of asbestosis and the effect on people unfortunate enough to have the disease has inevitably led to the problems — the policy in force when the claim was notified or the series of policies when the employee was working for the company

and exposed to asbesios dust.

The Facility agreement provides insurance coverage on a defined period basis. All policies in this period can be used to determine and could be used.

claimants, they are giving an increasingly broad interpretation of the insurer's liability and coverage of the insurance policles.

The courts' basic rule is to maximise the coverage and liability of the insurance contract, Mr Jackson states that already existing decisions provide four different ways in cles in his period can be used to determine and settle claims. The second problem is that policies have limits of cover. The courts have ruled that these limits will apply separately to each claim, so liability is indeterminate because the number of claims is indeterminate. The courts have also ruled that the insurers' obliga-

The advantages of the Facility from the viewpoint of the individual insured are co-ordination of defence of claims, leading Much of the costs incurred to a strengthening of defence to date relate to the high costs and a reduction in excessive of various litigations between the separate parties involved—central handling of claims which to a strengthening of defence. Here although claim numbers

go ahead with the Facility is due to be taken on October 31. The British insurance market

dues not so far appear to have been affected by asbestosis or any other dust laden disease. A feared spate of claims related to byssinosis (caused by textile fibre dust) has not yet materialised. The problem in Britain is the growing number of industrial drafness claims. are large, the size of claims is are not being swellen by legal

BOUSTEAD

INTERIM RESULTS 1984

The following is extracted from the Chairman 5 statement in respect of the half year ended 50th June 1964-

The unaudited Group profit before tax of \$20,000 is well below expectation. Oue to a slower than anticipated rate of recovery in some of our Far Eastern operations and a loss sustained by our UK soft commodity subsidiary. The Singapore Bousteador Group achieved a higher pre-13x profit over the corresponding period list year, reflecting an improvement in performance by both Australia and our engineering activities in Singapore. Our Associate Piche Mondy Pte Limited, also contributed another outstanding result.

The sale by Bousteadco Singapore Limited of 50% of their investment in Boustead Australia Limited to Promet Berhad was completed in

Accounting discrepancies discovered at 1 ino Trailers Limited and reported at the Annual Ceneral Meeting, have since been found by the Group's auditors Ernst & Whiriney, to be larger than were previously indicated Management accounts at 50th june, 1964, show a pirminution of assets relative to that teophred at 51st December. 1985, of approximately \$1.1M, which diminution is considered to be wholly or largely due to a mis-statement of the not assets at that year end Whilst these management accounts show a small trading profit, it has been thought appropriate to e-clude them from the Group's

interim results. An independent investigation by Price Waterhouse into the Oiscrepancies has in addition freen undertaken. However, the absence of chilical records has hindered the conclusion of these. enourses the Board confident of the ruture of king Trailers business, has taken steps in relation both to management and accounting controls and has under review avenues of redress. Although, in view of these results, your Board is unable to recommend

an interim dividend, I am confident the liquies for the second half will show a marked improvement.

A Charton Charman, Boustead plc.



31st OCTOBER 1984 REDEMPTION

TRANSALPINE FINANCE HOLDINGS S.A. US.\$27,500,000 61/2% LOAN 1985

REDEMPTION OF BONDS.

Transolpine Finance Holdings S.A. unnounces that for the redestption period ending on 3(s) (terober 1984), it has purchased and nateriled's bonds of the above Loan for US,833,000 nominal ended and tembered them to the Trustee.

The nominal amount of bands to be than a for redemption at part of 3(s) October 1984 to satisfy the Company's current redemption obligation is accordingly US \$1,261,000 and the nominal amount of this Loan remaining outstanding after 3(s) October 1984 will be U.S.81,000,000.

DRAWING OF BONDS

hereby given that a drawing of bonds of the above four took place on 21st September 1984, accorded by Mr. William Brignal Kennair of the firm of John Venn & Sons. Notary Public, when 1,201 bonds for a total of US.\$1,261,000 nominal equital were down for redemption at purron 31-1 October 1984, from which date all interest thereon will exase. The following are the numbers of the bombs drawn.

1 46 59 60 61 78 82 83 84 96 99 101 132 133 144 147 148 279 285

314	343	372	383	385	387	391	497	500	528	529	537	565	652	836	840	843	844	848	970
1022	1024	1027	1028	1062	1119	1120	1150	1171	1172	1208	1335	1519	1605	1679	2527	2556	2557	2559	2561
2563	2568	2594	3105	3110	3140	3148	3159	3163	3167	3170	3172	3175	3181	3186	3188	3190	3202	3214	3216
3225 3604	3256 3820	3257 3884	3258 3687	3339	3442	3448 3905	3451 3915	3453 4005	3454 4033	3475 4044	3476 4055	3478 4056	3506 4057	3519 4071	3539	3553 4090	3554 4093	3519 4097	3603 4098
4115	4288	4290	4366	3888 4399	3897 4400	4505	4507	4547	4651	4552	4553	4606	4610	4611	4072 4612	4749	4750	4762	4765
4767	4774	4857	4858	4859	4860	4959	4982	5005	5007	5019	5023	5024	5032	5033	5035	5039	5040	5043	5052
5060	5061	5062	5064	5066	5067	5071	5074	5084	5085	5093	5107	5108	5115	5117	5123	5125	5126	5130	5131
5142	5143	5148	5154	5158	5160	5168	5171	5178	5180	5187	5189	5191	5194	5195	5300	5301	5386	5507	5508
5831	5870	5881	5883	5910	5922	6237	6239	6241	6242	6377	6431	6434	6465	6473	6479	6480	6484	6512	6532
6533	6548	6550	6551	6633	6635	6641	6661	6680	6850	6854	6985	7005	7008	7059	7136	7137	7184	7196	7205
7217 7378	7218 7379	7226 7388	7232 7391	7239 7453	7252 7547	7259 7555	7261 7562	7275 7566	7279 7570	7315 7571	7321 7572	7322 7573	7347 7574	7349 7576	7350 7636	7361 7647	7370 7648	7371 7655	7372 7660
7678	7688	7690	7815	7816	7821	7863	7865	7867	7870	7873	7892	7893	8075	8076	8078	8079	8099	8100	8102
8156	8159	8160	8204	8216	8233	8260	8294	8296	8323	8450	8580	8581	8602	8603	8608	8613	8617	8690	8692
8700	8701	8705	8707	8708	8712	8716	8717	8719	8720	8721	8726	8729	8732	8739	8744	8748	8750	8756	8757
8763	8768	8777	8782 9086	8790	8795	8798	8810 9103	8813	8815	8819	8825	8829	9010	9013	9015	9016 9405	9017 9409	9029	9065
9071 9437	9079 9439	9083 9448	9457	9087 9463	9092 9478	9093 9709	9742	9358 9769	9366 9770	9367 9773	9375 9811	9376 9827	9384 9828	9393 9830	9400 9833	9971	9996	94 18 9998	9435 9999
	10020	10023	10039		10050			10065				10084	-	10088		10092		10098	
10120	10121		10151				10164					10191		10200	10261	10272			10318
		10381		10391	10409	10410	10428	10514	10517	10521	10523	10534	10535		10554	10556	10557	10559	
																11430			
																11786			
12677	12699				12726											12237 12834			12837
12844	12845				12957	12971	12972	13000	13005	13021	13056	13064	13081	13088		13117			13208
13230	13243	13317	13334	13355	13356	13367	13369	13379	13381	13412	13532	13565	13578	13579	13580	13787	13954	13966	13978
	14027				14084	14089	14170	14212	14252	14255	14263	14265	14271	14278		14409			
	14575		14623	14743	14961	15123	15124	15130	15138	15147	15169	15241	15244	15245	15300	15303	15304	15308	
	15482 15573	15574	15576	15008	16108	16122	16124	16126	16128	16105	16200	16256	16206	16406	16410	15553 16415	16/121	15558	15571 16428
	16464	16465	16470	16471	16475	16478	16484	16485	16487	16490	16500	16512	16517	16536	16545	16772	16773	16968	
		17270														19367			19433
																19746			19749
																20037			
																20517 21039			
																21310			
21330	21331	21332	21334	21337	21339	21341	21406	21500	21555	21570	21731	21740	22003	22004	22011	22012	22013	22015	22103
22105	22108	22109	22110	22113	22115	22117	22119	22199	22298	22320	22346	22349	<i>2</i> 2351	22370	22400	22403	22491	22492	22498
22502	22503	22505	22514	22521	22525	22526	22527	22528	22531	22533	22534	22540	22546	22558	22560	22567	22568	22569	22636
22637 227 17	22638	22643	22648	22649	22001	22053	22055	22050	22002	22010	22760	22762	22767	22009	227011	22697 22812	22099	22/12	22714
22825	22826	22/24	22832	558517	22837	5580T	22001	22002	22033	22036	22075	22982	22087	22988	22007	22995	22015	22000	22021
23009	23016	23022	23037	23039	23046	23048	23049	23058	23060	23094	23097	<i>2</i> 3100	23106	23111	23118	23136	23137	23138	23141
23142	23144	23145	23163	23165	23166	23170	23175	23182	23183	23187	23190	23191	23194	23209	23252	23305	23305	23300	233 16
23317	23328	23368	23371	23373	23398	23402	23415	23416	23460	23461	23465	23468	23469	23472	23474	23475	23483	23485	23488
23501	23513	23 518	23530	23531	23533	23536	23544	23545	23546	23555	23557	23590	23591	23620	23622	23624	23626	23634	23636
23639	23640	23641	23673	23675	23676	23677	23679	23682	23732	23738	23804	23000	23812	23814	23820	23843	23844	23845	23856
23857	23861	23862	23866	23867	23870	23871	24003	24008	24025	24027	24005	24190	24203	24210	24212	24219 24489	24398	24402	24407
24409	24413	24419	24420	24424	24423	21616	24433	24430	24431	24444	24447	24440	25001	25000	24422	25048	24493	24510	24555
24550	24598	24001	25107	25100	25110	25112	25112	25115	25127	25 128	25124	25135	25136	25252	25260	25278	25220	27070	25090 25287
25200	25205	22500	25211	22323	25326	25331	52333	52337	25336	25337	25341	25342	25343	25346	25347	25349	252EJI	25262	2526/
25360	25272	322/13 52,200	25544	25546	25547	25561	25565	25566	25567	25569	25571	25573	25577	25579	25583	25603	25611	25612	25616
25617	25618	2619	25623	25624	25625	25626	25630	25631	25642	25648	25650	25651	25654	25660	25664	25666	25673	25674	25675
25678	25680	25687	25690	25698	25703	25706	25709	25711	25713	25715	25727	25728	25734	25741	25742	25747	25765	25768	25777
25778	25782	25783	25816	25819	25820	25821	25822	25824	25826	25829	25837	25839	25844	25847	25855	25856	25860	25866	25869
25875	25876	25882	25,889	25890	25894	25905	25911	25921	25926	25933	25935	25938	25940	25942	25051	25060	25070	25071	25974
25070	25083	25984	25985	25987	25990	25992	25999	26081	26082	26083	26084	20430	26449	26451	26453	26454	26455	25457	26459
25462	26467	26469	26482	25486	20458	20490	20492	<i>2</i> 0498	27452	2(450	2(458	2 (403	2(404	27465	27466	27477	<i>2</i> 7483	<i>2</i> 7492	27499

Hittness: W. B. Kennair, Notary Public,

The above bands may be presented for payment of the proceeds of redemption at pay on or after 31st Ortober 1981 at the offices of the paying agents named on the coupons in the manner specified in Condition 5 of the Terms and Conditions of the Loan printed on the bonds. Each of these bonds when presented for redemption must bear the coupon dated fitst October 1985, otherwise the amount of the missing coupon will be deducted

Principal Paying Agent, N. M. Rothschild & Sons Limited, New Court, St. Swithin's Lane, London EC4P 4DU

Financial Times Monday October 8 1984

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INSURANCE, OVERSEAS & MONEY FUNDS | 158 Gir Fund 1 to | 100 Color | 11 Agents | 158 Gir Fund 1 to | 100 Color | 11 Agents | 158 Gir Fund 1 to | 100 Color | 11 Agents | 158 Gir Fund 1 to | 100 Color | 11 Agents | 158 Gir Fund 1 to | 100 Color | Marray, Johnstone (Inv. Advisor) 163. Hope St. Glassow, C2. 041-221 5521 Schreder Life Assurance Ltd. | Maragico Pimos Sast 28. Next dealing Occurrer a
| Process Sast 28. Tokyo Pacific Hidgs. (Seabeard) NV Imimis Management Co NV, Curatio. Mat. Westminster Jersey Fd. Mgrs. Ltd. 23.25 Broad St. St Heller, Jersey. 0534 700 For Extension Commodities (total) see Normany Trest Extensions (total) see Normany Trest Interest Inter | Mewpart International Management | Managem | D1-626 9876 | | Secretish Life | Server | 10.2 | 40.3 | 71.1 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11.2 | 11 | Separation | Sep | Sim Free May 8d | 302.5 | 101 Han Dray Fd | 302.5 | 101 Han Dray Fd | 302.5 | 101 Han Dray Fd | 302.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102.5 | 102. 0534-36331; 1.C. Trust Managers Ltd.
10, St. Georges St., Douglas, 10M, (
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| The English Association | 2, Boulevard Royal, Lucernbourg | 2, Boulevard Royal, Lucernbourg | 3, Boulevard Royal, Lucernbourg | 2, Boulevard Royal, Lucernbourg | 3, Boulevard Royal, Lucernbourg | 40,021 | 55 | 510.26 | 40,022 | 55 | 510.26 | 40,022 | 55 | 510.26 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 50,023 | 5 M & G Begings

| Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. | Proc. Earnehment Holdrings M.V.

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London Agents Test Black Committee Committee Home Kong

Figure Flaming Committee Home

London Agents FS, Salisbury House, London Walt

EC2M STA. Tel. 01-920 0776 Teles 887201

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INT. BANK AND D'SEAS

GOVT STERLING ISSUES

CORPORATION LDANS

CDMMDNWEALTH AND AFRICAN LOANS

> LDANS **Building Societies**

Public Board and Ind. 1.lan 1.luh Agric, Mt 56c 59 89 . 75ml 1.6 | 6.6.9 12.02 1.Mar 15c Met Wir, 3pc B 371ml 1.8 | 8 06 10.88

FOREIGN BONDS & RAILS

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UNAP VIOLATION

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FT LONDON SHARE INFORMATION SERVICE

AMERICANS

SEES, WINES—GOT

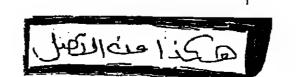
THOSE FUNDS

BRITISH FUNDS

BRITISH FUNDS

CANADIDARS

CANADID INDUSTRIALS (Miscel.) Oct. Wrogans Group Log. 36 27.2 d3 4 0.5 13 55/30 July Wilson Connolly . 172 179 t2 48 78 2.18 2 July Wingey I Geol 118 14.5 3.05/2.9 4 0/9.7 CHEMICALS, PLASTICS | ND D'SEAS | NG ISSUES | Property | NG | Section | BANKS, HP & LEASING DRAPERY AND STORES | Hire Purchase, Leasing, etc. | July BEERS, WINES & SPIRITS ENGINEERING



| The property | Prope Financial Times Monday October 8 1984 | INVESTMENT TRUSTS—Cont. | OIL AND GAS—Continued | DASI-CHE | Cont. | OIL AND GAS—Continued | OIL AND GAS—Continued | DASI-CHE | Cont. | OIL AND GAS—Cont 31 INDUSTRIALS—Continued - | LEISURE—Continued PROPERTY—Continued INVESTMENT TRUSTS—Cont. 1 OIL AND GAS—Continued Paid Shock Price all His Cur Se's PrE Pold Stock Price at Net Car Price

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8) - (Unless other decomments based on the based on bases, earn unrelieved if on brass, earn unrelieved if on the bases, earn unrelieved if the bases, earn unrelieved in the bases of t	refuse ind one are 20 interest and interest	Expon S1 Notated, proc. So. Estimated S1. E	OTES et and ne de puere et and ne de puere Es are computer bracket bracket bracket bracket a apprecia day of bracket a apprecia day of bracket a apprecia day of bracket da	288 (225) 180 (2	dends den	118.4 are in the control of the cont	Benacional State of Control of Co	0.7 4.4.4 7.2 e and re are to
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8) - (Unless other decomments based on the based on bases, earn unrelieved if on brass, earn unrelieved if on the bases, earn unrelieved if the bases, earn unrelieved in the bases of t	refuse ind one are 20 interest and interest	Expon S1 Notated, proc. So. Estimated S1. E	OTES et and ne de puere et and ne de puere Es are computer bracket bracket bracket bracket a apprecia day of bracket a apprecia day of bracket a apprecia day of bracket da	288 (225) 180 (2	dends den	118.4 are in the control of the cont	Benacional State of Control of Co	0.7 4.4.4 7.2 e and re are to
8) - (Unless other decomments based on the based on bases, earn unrelieved if on brass, earn unrelieved if on the bases, earn unrelieved if the bases, earn unrelieved in the bases of t	refuse ind one are 20 interest and interest	Expon S1 Notated, proc. So. Estimated S1. E	OTES et and ne de puere et and ne de puere Es are computer bracket bracket bracket bracket a apprecia day of bracket a apprecia day of bracket a apprecia day of bracket da	288 (225) 180 (2	dends den	118.4 are in the control of the cont	Benacional State of Control of Co	0.7 4.4.4 7.2 e and re are to
8) - (Unless other decomments based on the based on bases, earn unrelieved if on brass, earn unrelieved if on the bases, earn unrelieved if the bases, earn unrelieved in the bases of t	refuse ind one are 20 interest and interest	Expon S1 Notated, proc. So. Estimated S1. E	OTES et and ne de puere et and ne de puere Es are computer bracket bracket bracket bracket a apprecia day of bracket a apprecia day of bracket a apprecia day of bracket da	288 (225) 180 (2	dends den	118.4 are in the control of the cont	penace: 2.7 154 156	0.7 4.4.2 4.7.2 4.1.
8) - (Unless other decomments based on the based on bases, earn unrelieved if on brass, earn unrelieved if on the bases, earn unrelieved if the bases, earn unrelieved in the bases of t	refuse ind one are 20 interest and interest	Expon S1 Notated, proc. So. Estimated S1. E	OTES et and ne de puere et and ne de puere Es are computer bracket bracket bracket bracket a apprecia day of bracket a apprecia day of bracket a apprecia day of bracket da	288 (225 180 180 180 180 180 180 180 180 180 180	dends den	118.4 are in the control of the cont	penace coveres state of for the covere cover	0.7 4.4.4 7.2 4.3 are and a series to construct the series the series that
8) - (Unless other decomments based on the based on bases, earn unrelieved if on brass, earn unrelieved if on the bases, earn unrelieved if the bases, earn unrelieved in the bases of t	refuse ind one are 20 interest and interest	Expon S1 Notated, proc. So. Estimated S1. E	OTES et and ne de puere et and ne de puere Es are computer bracket bracket bracket bracket a apprecia day of bracket a apprecia day of bracket a apprecia day of bracket da	288 (225 180 180 180 180 180 180 180 180 180 180	dends den	118.4 are in the control of the cont	penace coveres state of for the covere cover	0.7 4.4.4 7.2 4.3 are and a second a
8) - (Unless other decomments based on the based on bases, earn unrelieved if on brass, earn unrelieved if on the bases, earn unrelieved if the bases, earn unrelieved in the bases of t	refuse ind one are 20 interest and interest	Expon S1 Notated, proc. So. Estimated S1. E	OTES et and ne de puere et and ne de puere Es are computer bracket bracket bracket bracket a apprecia day of bracket a apprecia day of bracket a apprecia day of bracket da	288 (225 180 180 180 180 180 180 180 180 180 180	dends den	118.4 are in the control of the cont	penace coveres state of for the covere cover	0.7 4.4.4 7.2 4.3 are and a second a
8) - (Unless mbd decomments based on a first based on more of the based on based	refuse ind one are 20 interest and interest	Expon S1 Notated, proc. So. Estimated S1. E	OTES or and not price of price or	288 1255 Holes Hol	dends den	118.4 are in the control of the cont	penace coveres state of for the covere cover	0.7 4.4.4 7.2 4.3 are and a second a

STERLING EXCHANGE RATE

INDEX .

76.5 76.5

Oct. 5 Prev. close

Oct. 6 - Sept. 28

61,2598 1,2695 \$1,9455-1 2465 0,04-0,06 dis 0,04,0,06 dis 0,50 0,35 dis 0,27 P,30 ois 1,83,1,73 dis 1,58-1,66 eis

Noon ... 1.00 pm ... 2.00 pm ...

New York rates

FORWARD RATES AGAINST STERLING

BANK OF ENGLAND TREASURY BILL TENDER

Sills on offer....... £100m £100m Tog Agnepted rate of discount. 0.8470t 0.9874g rate of discount. 2488.85m Average rate of discount. 0.7543t 0.9807t Average yield... 207.543 £100m accepted bid... £07.543 £91.61 Average yield... 269.61 Average yi

DOLLAR SPOT-FORWARD AGAINST DOLLAR

ct 5 spread Close One month p.a. months p.a. ct 5 spread Close One month p.a. months p.a. ct 5 spread Close One month p.a. months p.a. ct 5 spread Close Close One month p.a. months p.a. ct 5 spread Close
CURRENCY MOVEMENTS CURRENCY RATES

76.8 | -13.7 | 141.7 | +27.9 | 90.2 | 111.5 | +3.8 | 88.4 | -11.4 | 76.5 | +6.2 | 111.3 | +3.8 | 64.1 | -14.4 | 44.8 | -14.4 | 155.7 | +11.6

Morgen Gueranty changes: everage 1980-1982-100. Sonk of England Index (base average 1975-100).

Oct. 6 Sept.28

| Spot | 1 month | 3 month | 6 month | 12 month | 1.2380 | 1.2385 | 1.2411 | 1.2453 | 1.2563 | 1.2563 | 2.7750 | 3.7588 | 3.7318 | 3.4927 | 3.6199 | 3.1157 | 11.5755 | 11.5120 | 11.6912 | 11.7197 | 3.1150 | 3.0855 | 2.0745 | 3.0364 | 6.9609 | 305.75 | 304.55 | 302.67 | 299.76 | 294.23

Oct. 5 Previous

78.4 76.4 76.4 76.4 76.4 76.5 76.5



AECI LIMITED

(Incorporated in the Republic of South Africa)

NOTICE TO PREFERENCE SHAREHOLDERS DIVIDEND NO. 93

Notice is horeby given that on 6 September 1984, the Directors of AECI Limited declared a dividend at the rate of 5.5 per cent per annum for the six months ending 15 December 1984 payable on that data to holders of preference shares registered in the books of the Company at the close of business on 26 October 1984.

The dividond is declared in United Kingdom currency and cheques in payment will be posted from the offices of the transfer secretaries in South Africa and the United Kingdom on 13 December 1984.

Dividands payable from Johannesburg will be paid in South African currency at the rate of exchange ruling on 19 November 1984.

Any change of eddress or dividend instruction involving a Any chenge of eddress or dividend instruction involving a change in the office of payment, if intended to apply to this dividend, must be received on or before 31 October 1984 end members must, where necessary, heve obtained the approval of the South African Exchenge Control authorities and, if applicable, the approval of eny other Exchenge Control Authorities having jurisdiction in respect of such changes. Changes of eddress or dividend instructions to apply to this dividend which do not involve a change in the office of payment must be received not later then 1 December 1984.

In terms of the Republic of South Africa Income Tax Act 1962 (as emended) dividends payable to persons not ordinarily resident nor carrying on business in the Republic or to companies not registered nor cerrying on business in the Republic or to Republic ere subject to deduction in respect of non-resident shareholders tax at the rate of 13.7025 per cent.

With regerd to cheques despetched from the United Kingdom office, United Kingdom income tax, et the bosic rato less, where epplicable, the appropriate deuble tax relief, will be deducted from the dividends paid except in cases where the holder's address and the address to which the dividend is sent are both outside the United Kingdom and in cases (if any) where the company has received from the Inspector of Foreign Dividends in Great Britain a cortificate exempting the dividend from United Kingdom income tax.

The transfer books end registrars of members in Johannes-burg end the United Kingdom will be closed from 27 October 1984 to 9 November 1984 both days inclusive.

Carlton Centre Johannesburg 5 October 1984 By order of the Board J. M. DOODS

Company Notices

Tronsfer Secretaries:

Consolidated Shere Registrars Limited 40 Commissioner Street, Johannesburg, end Hill Samuel Registrars Limited 6 Greencoat Place, London SWIP 1PL, England

What went wrong with the 'Brazilian Boom'?

THE INTERNATIONAL FINANCIAL CRISIS: LESSONS OF THE BRAZILIAN CRISIS, is the most extensive inport yet produced on the implications of the Brazilian problem. It prosents a thorough and up-10-date applysm of this rapidly changing and complex problem, points to flaws in the international kinancial system and describes the pressures for reform that ere now building up.

For a brochure listing the contents and scope please contact: The Marketing Department
FT BUSINESS INFORMATION LIMITED
102-108 Clerkenwell Road, London ECIM 5SA
Tel: 01-251 9321 Extn 66

Keppel Shipyard Limited

US\$15,000,000

85% BONDS 1984

NOTICE IS HEREBY GIVEN that the Company will

October 1984 and thereafter, interest on the Bonds

redeem all outstanding Bonds at par on 15th

Payment of principal and interest will be made

the office of one of the Paying Agents.

PRINCIPAL PAYING AGENT

against the surrender of Bonds and coupons at

ECU 50,000,000 Floating Rate Notes due 1989

Exchangeable for 13% Bonds due 1989

Unconditionally guaranteed by THE REPUBLIC OF FRANCE

In accordance with the terms and conditions of the Notes, notice is hereby given that for the 9 th Interest Period from September 25, 1984 to December 28, 1984 the Notes will carry an Interest Rote of 10 1/4 % per snnum.

The Interest payable on the relevant Interest Payment Date, December 28, 1984 against Coupon n° 9 will be ECU 25.59 per Note.

Ageni Bank

will cease to accrue.

LON	DON				FT-SE	100	IND	EX £25	per ful	l indea
THREE-	MONTH of 100%		DOLLAR	\$1m	point		380	High	Low	Prev
Dec Morch June Sept Dec	Close 88.46 89.10 87.88 87.88 87.21 ume 28.2	High 89.50 88.20 87.91 87.60	Low 88.45 88.15 87.88 87.59	Prey 88.42 88.13 87.85 87.56 87.28	Previou	REAS	.35 234 y's	 -	112.85 at 704 (
Previous THREE-	s day'e c	STERL	10,696 (10,452) 250,000 Prev 89.68			04 1B 908	High 67-07 — (1,173) ppen int	Low 66-28 ~ 1,125 (1	Prev 66-24 66-06

FOREIGN EXCHANGES

Dec 89.79 88.86 89.74 89.68
Merch* 88.76 88.81 89.73 88.66
June* 85.50 89.54 89.50 89.48
Sept* 88.37 — 89.28
Est volume 2,109 (975)
Provious day's open int 5,517 (5,400)
*2500,000 points of 100%

† Rancised

CHICAGO
U.S. TREASURY
B*, \$100,000 32a

Close
Oec 87.18 U.S. TREASURY 80ND3 (C8T) B% \$100,000 32nds of 100% *E500,000 points of 100% | Payriced | Oec |

20-YEAR 12% NIITIONAL GILT £50,000 | Juno |

32nda of 100% | Sept |

Dea 107-15 107-88 107-09 107-19 | Juno |

March | Juno |

March | Juno |

March | Juno |

Sept | 106-30 | - 108-19 |

Juno | 106-18 | - 108-19 |

Sept | 109-22 | - 108-06 |

Dec | - 108-06 | March |

Est voluma | 2.880 (2.049| |

Previous 0ay'a open int 2.458 (2.210) | II.8 miles

U.S. TREASURY BILLS (IMM) STERLING £25,000 5 per £ DEUTSCHE MARKS DM 125,000 5 per Sim points of 100".

Close High Low 89.55 88.59 88.43 88.24 88.30 88.13 87.52 87.89 87.82 87.64 87.70 67.38 87.40 87.10 87.10 88.95 88.72 98.72 96.72 Previous day's open int 215 (214]

SWISS FRANCS 2wFr 125,000 5 por March
Cices High Low Prev June
Dec 0.4010 — 0.4033 Sept Dec March
June — 0.4456 March
June Ni (niii Previous day's open int 436 (436) Sept JAPANESE YEN Y12.5m 5 per Y100 STERLING (IMM) Se per E Close High Low Prev Q.4085 — P.4087 Dec March — P.4323 Juno lume nil tnil 3apt us day'e open int 133 (123] Dec

WEEKLY CH	ANGE	IN W	ORLD INTERE	ST R	ATES
LONDON	Dct. 5	chango	NEW YORK	Oct. 5	ichan00
Base raisa 7 day interbank 5mth interbank	1012 1014 1054	+ B	Primo rates Federal lunda 3 Mth, Treasury Silla		-5g -0.18
Treasury Bill Tonder Band 1 Bills Band 2 Billo	9.7343 1012 104	Unch'd		10.24 10.05	:-0,12 :Unch' d
Band 3 Bills 5 Mth, Treasury Bills 1 Mth, Bank Bills	10:	nuch q	Lombard	5.50 6.875 6.05	Unch 'd + 0.025 Unch 'd
3 Mth, Bank Bills TOKYD One month Bills	·0// :6,21875	:-:: :-0.25	PARIS Intervention Rata One Mth. Interbank	11 111a	Unah 'd Unch d
Three momh Silic BRUSSELS	6,84376 107a	Unch 'd	Titoo month	1115	+ Ia
One menth	10.0	-:2	One month	.16()	Unch'd

GENERAL MINING

UNION CORPORATION LIMITED

(Incorporated in the Republic of South Africe)

Bank & Treland The following banking instruments have been stolen from Bonk of Ireland, Croydon

BLANK FOREIGN DRAFTS

Serial Numbers DM156456 - DM156467 inclusive
IRISH POUND BANK DRAFTS DRAWN ON
BANK OF IRELAND, LR. BAGGOT STREET, DUBLIN 2
Serial Numbers 150033 - 150100 inclusive
The oddress of the Issuing Branch

9 St. Michael's Road, Croyden CR9 3SA also appears on the Drafts STERLING BANK DRAFTS DRAWN ON

BANK OF IRELAND, O ST. MICHAEL'S ROAD CROYDON CR9 3SA Serial Numbers 001439 · 001500 ioclusive

THE INSTRUMENTS ARE INVALID

Attempts have already been made to obtain value for some of these items and it is expected that other attempts will be made.

PAYMENT OF COUPON No. 121
IDIVIDEND No. 117)
Share Wintrants to Bearer will receive payment on or after
4 at the ratio of 26,276180, the impount occlared are share
being South Ahiron Non-Resident Shareholders' Tax of 13%
of Coupon No. 121.
ist be deposited FOUR CLEAR DAYS for inspection before
made:

Ar the London Secretaries Office of the Corporation, 36 Ely Place, London, SCI N 6 UA. At Cedit to Nord or Lioyst Bank International Francel Ltd. Al Credit Suisse, Zurich, Union Bank of Switzerland, Zurich, Swiss annk Corporation, Basic or nt nny of Lander Learners annk Corporation, Basic or nt nny of

elf branchés. to holders resident in Great Britain and Norther Illows:

he obtained On neglication to the London Secretaries.

OUR OFF OFF GSNCOR (U.K.I LIMITED LONDON Secretaries.

22.334758

3.941425 1 6.3p3330

L. J. BAINSS

Awaiting developments

market, and this proved 8 strong psychological factor preventing any attempt to push the dellar higher, but apart from small dollar sales by the Germon Bundesbank at the Fraokfurt fixing Mopday there appeared to be no other activity.

he no other activity.

Ahead of today's Columbus regarded.

Day holiday in the U.S. there was reluctance to be short of dollars on Fridey, but desiers were zuggesting that the dellar might fall in the Federal funds rate below DM 3.00 some time this week unless the currency it was also generally discrete regarded.

Another factor inhibitiog any further advance by the dollar was the fall in the Federal funds rate in New York te sround 103 per cent from 11 per cent, although it was also felt the Federal

future.

Sterling wao little changed overall, although the exchange rate index fell quite sharply in late trading on Friday as speculation iocreased about a possible cut in London cleering bank base rates. The approach of tomorrow's Conservative Party conference turned attention towards orguments in fevour of lower interest rates, but other factors such as the pit strike and the September money supply figures will have to be taken into account.

	Day'a			%	Three	**
Oct 5	apresd	Close	One month	p.a.	montha	p.a.
U 3.	1.2335-1.2480	1.2375-1.2385	0.03-0.06c dla	-0.44	P.29-0.33dia	-1.00
Canada	1.6300-1.6380	1.6305-1.6315	p.15-0.24c dla	-1.43	0.65-0.77dla	-1.69
Nothino.	4.231-4.261	4.25-4.26	15-15c pm	e 88	61_41 _v pm	e.Q
Balcium	75.89-70.60	76.50-70.60	4c pm-1 dia	-0.23	6 pm 3 dia	p.03
Denmark	1B.60-13.68	12.6512-13.6612	3-14ora dia		24-44 dla	-1.10
Ireland	1.2151-1.2203	1.2175-1.2185	0.06-0.25p dis	-1.67	0.58-0.86dis	-2.30
W. Ger.	3.754-3.78	3.77-3.70	13-11-pt pm		41-41 pm	4.5
Portugal	187.50-200.60	189,40-199,95	190-540c dia			-22.1
3 pain	211.30-211.90	211.35-211.55	-50-190c dia		180-230 dis	-3.8
Itnly	2.323-2.3414	2.329-2.330	1P-13lira die		33-37 dia	-B.0
Norway	1P.65-10.92	1P.88-1P.89	2-2'gare dia		7-8 dia	-2.7
France	11.511-11.585	11,565-11,575	14-Jec dia		21-41, 0is	-13
Sweden	10.67-10.72	10.6912-10.7012			6'-7' dis	-2.6
Jncen	3044-3074	3057-306	1.25-1,16y pm		3 25-3.11 pm	
Augtria	26,40-26 55	28,49-26.54	B4-74gro pm		211-184 pm	3.00
Switz.	B.103.13	3.11-3.12	14-14c pm		6 4-4 pm.	6.3
			Irance. Financia			3.0

Oct. 5	£	•		£ Note Rates
Australiz Dollar Brazil Cruzeiro Finiand Markka. Groak Iltachma Hong Keng Dollar. Muwait Dinari Ko Luxembourg Fr. Malaysia Dollar. Now Zealand Dir Saudi Arab. Rhys Singapore Dollar Starican Ranc Sin African Ranc Starican Ranc Sin African Ranc	.2,921,442,933,88 -7,8020,18461 1134,80,163,29 -7,9,8200,0,6970 113,00 10,3725-0,37295 -76,60,76,60 2,9630-5,0300 -2,9630-5,0300 -2,5416-2,5465 14,4240-4,4275 -8,6850-2,6010 12,0853-2,0915	1.1995-1.2005 6,336 2,368 8.6010 6,3030 124.50 124.8p 7.8130-1,8180 98,13* 0.29980 0,29980 61,65 61,73 2,3900 2,4400 6,0460,20490 3,5506 6,5605 2,1655-2,1676	Ausiria Belgium Donmark France Germany Haly Japan Netherlands Norway Portugal Spain Swedon Bwitzerland United States Vugodavia	11.50-11.62 3.143-3.783, 2313-6335 304-309 4.6214-4.261 10.83-10.96 105-322 207-2161; 10.64-10.79 6.1014-3,131

n Selling rate.

	Ecu central rates	Currency amounts against Ecu October 5	% change from central rate	% change adjusted for divergence	Oivergence limit %
Balgian Franc	44.9008	45.3251	+0.94	+0,94	±1.5447
Oanish Krono	8,14104	8.09177	-081	-0,51	<u>-+-</u> 1.6425
German O-Mark	2.24184	2.23494	-0.31	-0.31	+1,0642
French Franc	6.87456	B.85918	-0 22	-0.22	-1.4052
Dutch Guilder	2.52596	2.52080	-0.20	-p.20	± 1.4964
Irish Puni	b.72569	0.722308	-P.67	-0.67	±1,6699
Italian Lira	7403.49	1386.57	-1.21	-1,21	+4.1505

Central banks remained out of the foreign exchange market for the most part of last week as the dollar showed a slightly weaker trend overall, ewaiting new factors and developments.

Fear of central bank interventing on the dellar late market, and this proved a strong psychological foctor preventing the day.

Fear of central bank interventing the dellar late market, and this proved a strong psychological foctor preventing the day.

Reserve was unlikely to let U.S. rates fall significantly in the near future.

Sterling was little changed overall, although the exchange rate index fell quits sharply in late trading on Friday 2s speculation to reased about a possible cut in London clearing bank base the day.

the day.

A fall of 0.1 per cent to 7.4 per cent in U.S. September unemployment had no impact, while the unexpeciedly isrge drop in U.S. weekly M1 money supply of \$2.40n was also generally dispersed.

Close 89 1.2375-1.2385 80 1.6305-1.6315	One month 0.03-0.06c dla	p.a.	montha	p.a.
	0.03-0.08c dla			
80 1.6305-1.6315			P.29-0.33dia	-1.00
	p.15-0.24c dla	-1.43	0.65-0.77d/a	-1.6
4.25-4.26	14-15c pm	e 88	61-41 _{v pm}	e.Q
76.50-70.60	4c pm-1 dia	-0.23	6 pm-3 dia	p.03
12.6512-13.6612	3-14ora dia	-2.03	24-44 dla	-1.10
03 1.2175-1.2185	0.06-0.25p dis	-1.67	0.58-0.86dis	-23
3.77-3.70	13-11-pt pm	3.11	41-41 pm	4.5
				-22.10
90 211.35-211.55	-60-190c dia			-3.8
2.329-2.330	1P-13Ura die	-3.92	33-37 dis	-B.0
				-2.7
				-13
				-2.6
				4.1
				6.3
				-
-	80 189.40-199.96 90 211.35-211.55 1- 2,329-2,330 10.88-10.89 85 11.565-11.575 10.691-10.701- 3054-3064 28.49-26.54 3.11-3.12 is for convariible	80 189.40-199.95 190.540c dla 90 211.35-211.55 -50-190c dla 1-19.83-10.89 2-2-4-0rc dla 10.891-10.70 2-2-4-0rc dla 10.891-10.70 2-2-4-0rc dla 3051-3064 125-1.199 pm 28.49-28.54 125-1.199 pm is for convaribbo 1ranca. Financi	80 189.40-199.96 190.5%c dia — 21.99 80 211.35-211.55 50-190c dia — 1.09 1-2.329-2.330 1p-13iira die — 5.92 1p.83-1p.89 2-2*gere dia — 2.69 35 11.565-11.575 1-3*gc dia — p.58 10.69*;-10.70*; 2-2*gere dia — 2.59 305*;-305*, 1.25-1.169 pm 4.13 23.49-26.54 Bi-7*gro pm 3.51 3.11-3.12 1**-1*ge pm 8.02 is for convortiblo Irance. Financial Irance	80 189.40-199.95 190.580c dta

OTHER CURRENCIES

	Ecu central rates	Currency amounts against Ecu October 5	% change from central rate	* change adjusted for divergence	Oivergence limit %
Balgian Franc	44.9008	45.3251	+0.94	+0,94	±1,5447
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rish Punt	b,72569	0.722308	-P.67	-0.67	±1,6699
Italian Lira	7403.49	1386.57	-1.21	-1.21	+4.1505

	EXCHANGE (ROSS RA	TES					رز دول و تنوسیت			4-4
	Oct. 5	Pound St'rling.	U.S. Dollar	Deutsche m'i	J'panese Yen	FrenchFranc	Swiss Franc	Dutch Gurid	Italian Lira	Canada Dolla	r Beigian Fra
	Pound Sterling U.S. Doller	0.80B	1,238	3.775 6.050	506.8 646.8	t1,67 0.345	3,115 2,51B	4,25 5 3,441	2330, 18 89,	1,531 2,317	76.55 61.70
ĭ	Deutschemark Japanese Yen 1,000	0,265 3,271	0,528 4,049	12,36	80,99 1000,	6.065 37.84	0,625 10,19	1.127 t3.92	B17.1 7619.	0.432 6.334	260.4
ł	French Franc 10 Swize Franc	0,864 0,321	1.070 0,391	3.263 1.216	264.3 98,16	10. 5.714	5.692 1.	3.678 1,366	8013. 747.B	1.410 0.524	65.16 24.57
١	Dul sh Guilder Itəlian Lira 1,000	0,235 0,429	0.291 0.531	0.887 1.681	71.86 131.3	2,719 4,967	0.73a t,337	1.BS7	547.6 1000,	0.383 0.700	17.98
ļ	Canadian Dellar	0.513	0,759	2,315	187,6	7,094	1,010	2,609	1428	1.	48.93

Canadion Dellar 0.513 0.759 2.315 2.505 Selgian Franc 100 1.305 1.817 4.931 690,4 EURO-CURRENCY INTEREST RATES (Market closing rates)

Oct. 5	Storling	U.S. Dollar	Canadian Dollar	Dutch Guilder		Swiss Franc	D-mark	French Franc	italian Lira	Gony.	Fin.	Yen	Denish Krone
Short term	1034-1078 1072-1034 1072-1054 1072-1058 1073-1058 1056-1054	104 10% 10% t0% 10% t1% 11% 11% 11% 11% 11% 11%	1136-1176 1134-1214 1176-1215 12-18-5 1216-1256 1214-1275	B14-646 614-646 614-646 614-616 614-616 614-616	,	134-2 2-24 4;-4 1 518-514 518-514 518-618	61s 65s 61g 55s 61g 55s 61g 56s 51g-51g 37s 6 8 61s	11 11 4 11 6 11 56 11 6 11 54 11 54 10 12 6 12 50 12 56 12 76	164-164 1654-1654 1578-1656 164-1654 1658-17 1612-17	1012-11 1012-11 1012-11 1012-11 1012-11 1013-11 1054-114	1034 11 1036 11 1034 11 1034 11 1078 1116 1078-1118 1	618 618 618 618 618 618 618 618 618 618	11-11 11-11 11-11 11-6-11 114-12 18-18

Asion \$ (closing rates in Singapora): Short-term 10½-10½ per cent; seven days 10½-11½ per cent; one-month 11-11½ per cent; three months 11½-11½ per cent; see months 11½-11½ per cent; one year 11½-12½ per cent; one year 11½-12½ per cent; three years 12½-12½ per cent; three years 12½-12½ per cent; five years 12½-12½ per cent nominal rates. Short-term rates are cell for U.S. dollare and Jepanese yen; others two days notice.

MONEY MARKETS

Hopes grow about lower base rates

Short-term interest rates fell by up to i per cent on Friday oo renewed expectations of a cut in Loodon clearing bank base rates. Sterling bas been reasonably firm oo the foreign exchanges, bolding steady against most currencies spart from the very strong dollar, and it was also keeo to reduce base rates by at least } per cent to 10 per cent at the time of the Tory Party

at the time of the Tory Party conference.

As the week ended opinions wera divided about the likelihood of any early settlement to the coal strike, but if tomorrow's UK money supply figures are settlement to the coal strike, but if tomorrow's UK money supply figures are settlement to the concourage lower interest rates. The general range of expectations is fairly wide, however, with figures of anywhere between a rise of ‡ per cent to 1½ per ceot forecast for sterling M3. The higher figure will put money supply growth

sterling M3. The higher figure will put money supply growth above the target range, and could lead to o sharp change in market sentiment.

At Friday's Treasury bill tender the average rate of discount fell from 9.9807 per cent to 9.7343 per cent, the lowest level since the 6nd of August, when the rate was 5.8638 per cent, and base rates were between 9 per cent and 9½ per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING 11,00 a.m. Detober 6: 3 months U.B. dollars bid 11 3/8 offor 11 1/2

6 months U.S. dollars

offer 11 11:12 The fixing retes ore the erithmetro means, rounded to the necress one alateenth, of the bid and offered rates for \$10m quoted by the merket to five relevence banks or \$11 am each working day. The banks are Netional Weatmineter Sank, Bonk of lokyo, Deutsche Benk, Bonqua Netionals de Pelle and Morgen Guaranty Trust.

The largest money market shortage during the week was fibn on Friday, but the Bank of England found it difficult to buy many bills outright from the market, possibly indicating rejuctance of the discount bouses to part with paper.

assistance by way of repurchase agreements.

In Frankfurt there was some surprise at the size of German Bundesbank's supply of new liquidity to the domestic money market. The ceotral baok allocated DM £4bn con Friday through 42-day leading to suggestions that the stering bas been reasonably many bills outright from the building steady against most reluctance of the discount bouses domestic money market. The latest courtencies apart from the very strong dollar, and it was also felt the Government would be keep to reduce base rates by at least \(\) per cent to 10 p

* CS/SOR rate for Oct 4: 1.31006.

Oct. 5	Frankfurt	Patia	Zurich	Amst'dam	Tokyo	Milan !!	Brussels ! Dublin
Two months	6,06-6,16 6.6	1154 1175-1175 1175-1175 1176-1176 1176-1176	176 Olo 413 433 514-613	618-614 B16-6.3 6.4 B.3 673-658	6.21276 6.21876 6.64375	17. 1156 1654.1718 1716 1718	10.76 13 12 12 12 12 12 12 12 12 12 12 12 12 12

LONDON	MONE	Y RATE	s	Di	scount	Houses	Depos	it and	Bill f	ates
Oct. 6 1984	Sterling Certificate of doposit	Interbank	Local Authority Oaposits	Company Deposits	Market Deposits	Treasury (8uy)	Treasury (Sell)	Eligibie Bank (8uy)	Eligible Sank (Selb	Fine
Overnight	1054 1016 1056 1016 1012 1016 1016 1016	10 1114 	11 105 ₀ -105 ₄ 105 ₄ 105 ₄ 106 106 105-105 ₂	1012 1016 1012 1016 1012 1016 1076 104	1012 1034 — 1015-1036 1015-1036 1016 — —	=	10%-103 10%-103 9(2-10	1058-104 10 3-104 10 3-104 012-10		114 104 104 104

	pouga i	Local Authority Deposits		# Gert of Deposits	SDR Linked Doposite	Linked Deposits
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ECGO Fixed Rate Expon Finance Scheme IV: Average Rate of interest period September 5 to October 2 1984 finclucive]: 10.904 per cent, Local authorities and linner houses seven days' fixed. Finance Houses Base Rine (published by the Finance Houses Association): 11 per cent from October 1 1984, London and Scottish Clearing Sank Ristes for landing 10³2 per cent, London Deposit Raiss for sums at neven days' netice 7½-7½ per cent, Treasury Bills: Auerage tender rotes of discount 9.7343 per cent. Conflictores of Ten Oeposit [Sanse S]: Oeposit £100,000 and over hald under one month 10½ per cent: one-three months 10½, per cent: three-six months 10½ per sent: elxnine months 10½, per curt; ninc-12 months 10½ per cent. Under £100,000 10 per cent frem Sopiember 12. Ooposits held under Senes 5 10½ per cent. The rates for all deposits withdrawn for cent 7 per cent.

MONEY RATES NEW YORK (4 pm) Primo rate 122-122
Broker lean rate 112-127
Fod lunds 109
No Fod intervention Treasury Billis

One month
Two month
Thee month
Gis month
One year

Two year
Three year
Four year
Four year
Soven year
10 year
30 year

KREDIETBANK S.A. LUXEMBOUGGEOISE

LAND INTERNATIONAL LIMITED

HONGKONG

7107 Guaranteed Debentures Duo 1988 Interest Payment Due Ist October 1984 All holders of the nipone cobentures should note that inferiors to be paid on these dobenfures on 1st October 1984 by the Principal Paying Agents for the Company.

Morgan Guaranty Trust

91% 1975/1985 UA 25,000,000 Morgan Guaranty Trust
Company of New York
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MY 10015
Collection can be made by forwarding the interest coupon for 1984 to
the Paying Agent direct or by
presenting it through your local
bankers acting as agants.
30th September 1984

CITY OF COPENHAGEN NOTICE IS HERESY GIVEN to Bond-holders that, duling the twelve-month potroid and no Septomber 24, 1984, nominel UA 471,000 hauc been purchosed for the account of the Outstanding omount: UA 20,359,000. The Fiscal Agent KREDIETBANK

S.A. Luad

Lu-embourg Ocrober 5, 1984

NIPPON CHEMICAL CONDENSER CO., LTD.

8 October 1984

Rolarring to the advantisement of 15th August 1984 the undersigned nnounces that a from 6th Detobar 1984 bonus dividend No. 0 of the CORs Nippen Chemical Condenser Co., Ltd., e 1,000 sha, will be payable with US\$378.94 and Onnus Oividend No. 10 of the CORs Nippen Chemical Condenser Co., Ltd., a 1,000 shs. will be payable with 1985. will be payable with Oividend No. 10 of the CDRs Niapon Chemical Condensor Co. Ltd., a 1.900 shs. will be psyable with UB\$189.47 at Kee-Associatie N.V., Spuistraet 172, Amstordnm, Amsterdom, 25th Scotember 1984 AMSTEROAM DEPOSITARY

35 Avenue des Arts.
Brusselinse.
Angel Gourt.
London.
22 Frankrijkiet.
at the common attention at the common state of the common state of the common state of the common states. P. V. \$2.50. J. P. Morgan of Commany Incorporated on the 15th Common states.

WILLIAM WAY (CAMBERLEY) LIMITED Special Resolution dated 28th Sentine 1984, the Company William Warmberley Limited nagrowed by miking n payment dat of capital for the annaest Directasing its gwn shares. The amount the capital payment is

INTERNATIONAL OEPOSITARY RECEIPTS REPRESENTING SHARES PAR VALUE 52.50 COMMON STOCK J. P. MORGAN & CO. INC

York). 35 Avenue des Arts.

URQUIJO INT. \$ US 30 MILLIONS FL.R. A cash distribution of \$1.00 per Depositary share will be 23vable on or rifer the 22m October 1804 uous presentation of Coppon No. 86 nt. Moryan Gnaranty Trust Company of New York.

30 Was Broadway.

Corpornie Trust Department, New **DUE 1986** For six months, sept. 24, 1984 to march 24, 1985, the notes will carry an interest rate of 11,9375 % per annum.

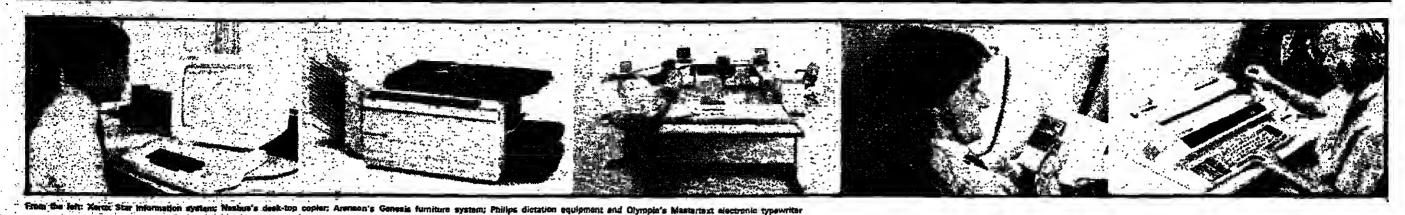
> The interest due on march 25, 1985 against coupon number 12 will be \$ US 60.35 and has been computed on the actual number of days elapsed (182) divided by 360. The principal paying agent SOCIETE GENERALE

ALSACIENNE DE BANQUE LUXEMBOURG BRANCH

Clubs

SECTION III

FINANCIAL TIMES SURVEY



Innovation abounds in all sectors

By MICHAEL WILTSHIRE

THE RATE of change is accelerating throughout the office equipment industry as businesses seek to become less labour-intensive and more automated. There is a buoyancy in almost all sections of the market which continues to spawn an ever-increasing range of new products to further the revolution in business information.

lution in business information.

From the equipment-buyer's view-point, decisions are becoming ever more difficult with new products coming to the market each week as the office world undergoes its greatest upheaval since the invention of the typewriter.

This radical change brings a threat for many existing products while offering scope for new ones. In short, the entire office equipment industry is technology-led—even the simple desk is now being integrated into computer-related workstations.

Many equipment dealers are struggling to decide which products and manufacturers will still be around in five years' time as products' lives are shortened and the range of equipment becomes ever more diverse.

In Europe, users and suppliers expect a flood of new products to be faunched at the next Hanover Fair (April 17-25, at the next hanover Fair (April 17-25, 1985)—a major shop, window for innovations in the sector. But long before then there will be many other exhibitions for the industry, notably the new-London. Business Equipment Show at Early (Court, Jater this month—an event billeries London's biggest husiness show for the years.

Earlier this year, at Hanover, some 2m visitors came to see what was new among tha 1,146 exhibitors in the office and data technology sectors and noted the increasing number of Japanese companies, such as Panasonic and Ricoh, which are intent on making a strong attack on the market. Panasonic, incidentally, will be launching no fewer

dentally, will be launching no fewer than ten new products in the largest display at the London show this month. In Britain, which now has the world's second largest office equipment industry, after the U.S., the market has increased by more than 100 per cent in three years, from £2.62bn to £5.43bn.

Mr Richard Palmer, who was this year appointed director general of the British Equipment Trade Association (BETA) says that the flonrishing market reflects the revolution in office administration, plus the increasing expectation of managers for more rapid information, plus the overall growth of the service industries.

Britain's business equipment industry

Britain's business equipment industry already achieves £1.5hn a year in export sales, but Mr Palmer, who has wide experience of oversess markets, is intent on helping UK suppliers, large and small, to win greater export orders—"there's always more that can be done."

BETA has just announced the appointment of the National Business Equipment Survey to provide an extensive series of marketing reports across the hroad range of office equipment. A series of 30 "databank" reports are planned.**

One of the great hopes of the office equipment industry seems to be in the new appreciation of the value of business information. Instead of obtaining the previous level of data at a cheaper price, which would be gulte possible through the judicious use of new technology, companies are opting for much fuller information systems,

This trend, says the Office Equipment Digest, may not always have been a conscious decision but it is, nevertheless, what is actually taking place, much to the benefit of the office equipment From the end-user's viewpoint, some

managers still have bopes of establishing an ideal known as the "paperless" office. But as the market analysts, MM Cor-porate Services point out, "anyone with eyes in his bead knows that, nine times

EQUIPMENT

Many of Europe's 50m office workers are facing radical changes in business procedures as new technology opens the way for an ever-increasing range of equipment and information systems.

out of ten, machines need more people to operate and 'service them than fewer." And no one struggling with the tidal waves of print-outs from computers has any faith now in the paperless office

Most European businesses and other officies (e.g. local government) are still ill-equipped to bandle this torrent of data which has yet to reach full spate. There is too much information and it is often not properly organised—too much can be worse than too little, with executives attempting to keep up with the contestants as secretaries struggle to keep things in order.

Here is a situation, therefore, where the office equipment industry, has great scope to help both itself and others; this applies both to products and the back-up services needed to get the best out of

Office equipment may be broadly divided into three categories. Some of the key opportunities in each sector are as follows:

• Office Machines: The spread of word processors is already well under way, but there is much scope for development in microcomputers that are really easy to use, say market analysts. The industry will only have fulfilled its role when the micro becomes as easy to use as the telephone. The drive to achieve this aim will present many opportunities in both hardware and software sectors. bardware and software sectors.
Finding new ways to make electronic

equipment simple for people to use and

better ways to connect office machines were two of the key themes at the Finan-cial Times office automation conference

in London this year. For all the advances in electronics, the automated office of the future is still a long way off. Among Europe's estimated 10m typists, 9m still use conventional manual or electromechanical machines,

nather than electronic models.

Nevertheless, spending on text processing equipment continued unahated last year, with expenditure in Europe topp

year, with expenditure in Europe topp:
\$2,500m, an increase of 64 per cent over
1982—a "staggering" increase according
to the latest Oasis report.††
A million electronic typewriters were
installed in European offices last year,
pushing the installed base of these machines to 1.8m.

Europe's higgest typewriter manufac-

turers are becoming increasingly worried about losing their grip on their home territory. Reports suggest that by under-cutting the prices of electronic type-writers by up to 40 per cent in some cases, ten major Japanese companies may have won close to half of the European market during the past three years.

Japanese producers are thought to have achieved a production capacity of 3m electronic typewriters a year, larger than the size of the world market of around 2.5m machines, said to be worth nearly \$5hp a year.

nearly \$5bn a year.
For Japanese computer-makers, one of the most obvious of the many obstacles in the office equipment field has been how to squeeze 2.000 or more language characters onto a keyboard.

For this reason, even the humble type-writer never became commonplace in Japan. But now, after 20 years' intensive research on the electronic keyboard problem. Japanese computer companies bave managed to develop practical word processors for their own language—and now the door is wide open for office automation. Japan's offices now face the task of

leaping directly from the age of hand-writing to the age of the word processor.

The old, familiar office telephone remains at the heart of a whole range of sophisticated new equipment. But as technology is bringing radical changes, the deregulation of the telecommunications industry is increasing the options for telephone equipment and services.

At the centre of these changes is the

At the centre of these changes is the private branch exchange (PBX), the market for which will grow worldwide from

IN THIS SURVEY

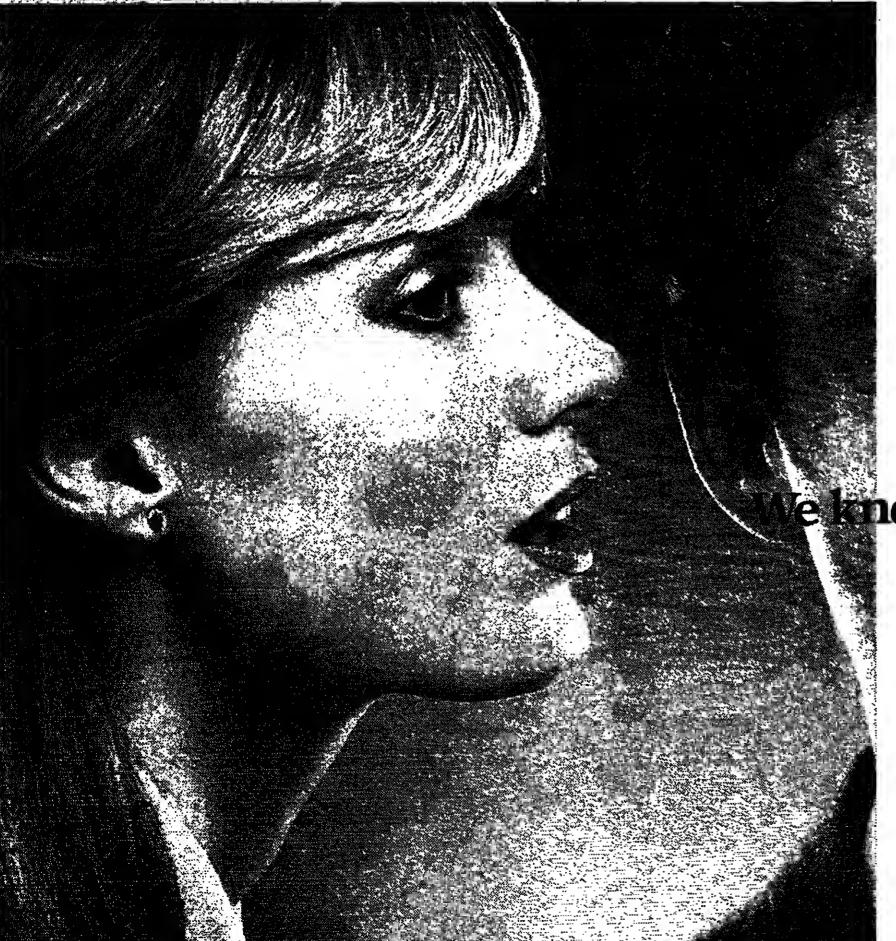
Changing U.S. office scene	2
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\$4.3bn last year to \$6.6bn in 1988, according to the Boston-based research firm of

Arthur D. Little.
The proliferation of office automation products has created an urgent need for a way to link it all together. One of the most promising methods is through local area networks (LANs). But the market for these products is still in its infancy and heset hy an industry fighting over which technologies and standards are the best. Many observers nevertheless predict an explosive growth of the LAN

Then there is the highly competitive photocopier sector; whatever the manufacturers may say, anyone who works in an office knows that a large number of copiers spend a lot of time out of order. "Britain is swarming with service engineers, most of whom cannot come

CONTINUED ON PAGE 10



Do you know the secret of Canon's outstanding success in business equipment?

To give you a hint, it might be our unrivalled expertise in optics and micro-electronics. Or it could be our massive investment in Research and Development. Or a continuing emphasis on innovation in the design of our products.

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now how to take a hint.

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So if you can take a hint, dial 100 and ask for Freefone Canon. Or visit our Stand No. 197/199 at the London Business Equipment Show, Earls Court, October 23-26.



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\$6bn boom for the U.S. office interiors and furnishing market

U.S. sales break all records

RECORD SALES of \$5.5bn in office furniture and furnishings are forecast for 1984 for the U.S. commercial furnishings industry. First-quarter ship-

ments for 1984 represent a A2 per cent increase over the same period in 1983—a new record.

With even higher projections being made for 1985 at an anticipated \$6.4bn in shipments, it can be said with certainty that the office interiors market in the States is in a remarkable period of unbridled growth.

Since 1975, when the Business
and Institutional Furniture

and institutional Furniture
Manufecturers Association
(BIFMA) of Grand Rapids,
Michigan, first published its
year-end sales volume report,
shipments bave multiplied five
times from \$1.1bn.

interiors and

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furniture.

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and sockets. In accordance

with BS6396 (1983). And they

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into optimum working

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unnecessary expense. Follow our lead. Take

A personal view of the budding U.S. market, gleaned from years of experience with the country's leading supplier of office furnishings, is given by Mr Fred Bell, executive vice - president, corporate development, of Steelcase. He says: "We have a near industry 'sell-out.' We heve seen this situation at the top of each economic cycle. where orders are being filled as quickly as furnishings are made.

furnishings are made.

"Tha economic base of our business in the United States is incredibly strong and we are in a real high-growth period." notes Mr Bell.

Steelcase's leeding position in the field is e success story that patterns the upswing in the U.S. commercial interiors market as a whole. Where 20 years ago, the company earned under \$100m, it is now pur-

ported to have sales in excess of Sihn. to the industry's prosperity would include:

Ergonomically "health" seating.

• Computer and office antomation support furnishings (con-

The strong growth of the systems furniture market reflects the escalating influence of electronic data processing in the office

sidered the fastest-growing market segment). The systems furnishings area,

so-called because it consists of modular product lines that integrate to form workstations with desk, panel partitions, storage, and often wire management features, by far contributes the

System or modular furni-ture, continues to be an expanding segment of the market, now making up nearly 28 per cent of industry shipments, np 2 per cent since 1983, according to BIFMA.

Systems' growth, and that of the industry as a whole, reflects the industry as a whole, reflects
the escalating influence of
electronic data processing in the
office. Increases in the use of
office automation require
flexible office furnishings that
adapt to continually changing
facilities. Spending on new
office equipment and furnishings is therefore expected to
continue in a promising growth continue in a promising growth

As the commercial furnish-ings sector experiences one of its banner years, the bumper crop of office prodocts reaching the market creates new challenges for manufacturers and end-users of product lines. Suppliers are ever more eager to carve out a larger stice of market share. Product introductions are growing more sophisticated in response to demands made

The changing **U.S.** office environment ROBERTA WALTON

by new office technology and increasingly discriminating for

by new office technology and increasingly discriminating furnishings specifiers.

With a white-collar, professional workforce expected to capture 65 per cent of total U.S. labour in the next few years, increasing attention is being focused on capital expenditure for office interiors with an eye to boosting worker productivity. More than half of the U.S. labour force is now employed labour force is now employed in office work. The figure is likely to be 90 per cent by the year 2000, according to the U.S. Bureau of Labor Statistics. Total office investments are approaching \$15 trillion are approaching. approaching \$1.5 trillion, enstudy data on the professional worker,

According to research yielded by the American Productivity Center, Houston, Texas, through As outlined by Mr Bell, and a co-operative effort with Steelconfirmed by other leading case, companies which are industry spokesmen and observers, a list of the significant product lines contributing mental design and which have better the contributing that the contribution of the mental design and which have launched efforts to enhance environments and to improve operations, have demonstrated average gains of 10 per cent in effectiveness and efficiency. Three main factors cited in

the research as being respon-sible for worker productivity gains are human resources development, automated office systems, and environmental design. Categorised under the latter heading are effective use of systems furniture, lighting treatments, floor/wallcoverings, and temperature/air quality

control.
The Steelcase/APC report "As white-collar produc-becomes increasingly important, capital investment in the office will quadruple, reaching \$8,000 to \$10,000 per worker hy 1989, with most money being spent on electronic equipment and task support office furniture.

Adding fuel to the productivity fire is a recently produced study from the Buffalo Organisation for (BOSTI), Buffalo, New York, directed by Michael Brill, BOSTI president. As noted by Mr Brill: "Offices produce 60 per cent of the U.S. gross to 50m workers, as the country moves away from smokestack industry. Yet, the office environ-

ment is under-utilised and un-productive. It is cheofic in a phase of high-tech transition." Mr Brill surveyed 6,000 workers in 70 companies prior to, and after, changes were made in their physical environment. Four facets of the environment were analysed: • Workspece (enclosed or open-plan "systems").

• Ambient conditions (temperature, light, and noise).

Psycho-physical factors (privacy, communication, com-

• Facilities management (and the degree of employee partici-pation in decision-making). Bottom-line measures of productivity were determined to be ease of communication, environmental satisfaction, job per- As expressed by Dave Arm-formance, and job satisfaction. strong, vice-president of market-



Prudential Insurance in the U.S. uses a Steelcase open office plan with workstation panels of varying height. Steelcase is the world's largest manufacturer of office furniture, with annual sales of more than \$1bn

Not surprisingly, Mr Brill's ing et Herman Miller of Zee-findings disclosed that physical land, Michigan, office furnish-environment has a direct effect on job performence and satis-faction. In addition, Mr Brill the Facilities Management Insti-notes that while tradition has proved that professional staff proved that professional staff accrue the most benefit from environmental design improve-ments, all office workers are underserved in the buman-factored, or ergonomic sense. Furnishings and flexible, adaptable work environments

that can accommodate change were among influences Mr Brill identified as directly affecting environmental and job satisfac-

"An enlightened and informed approach to office design and furnishings specification

More than half the U.S. labour force is now employed in office work: the figure could reach 90 per cent by the year

is badly needed," says Mr Brill. "Currently, salary outlay far exceeds the total investment in the Buffalo the workplace. The ratio of Scientific personnel cost to building and is 13 to one. In my view, job satisfaction and performance have a dollar value." BOSTI plans to publish a

> two will provide design guidelines for office spaces and a guide to "office diagnosis," help-ing managers anticipate pitfalls before they become a problem. In the midst of an office interiors market boom, those involved in the field are realis-ing that feelilties are a tool to he managed, much as their component parts — furnishings, computers, and other forms of office antomation. There is a need to realise full potential of offices as a result of further

investment, rather than through minimisation of cost. In the not-too-distant future It is expected that office environmeot management will be con-ventional wisdom. Increasingly, corporations are perceiving work environments as real influences on productivity and busi-ness growth.

Priorities for automation managers

the (FMI, Ann Arbor, Michigan), "the industry is becoming more sophisticated in understanding the 'fit' between people, the job they do, and the work environment.
"It used to he thought that

the work environment was not especially important. Now that 85 per cent of workplaces are no longer functionally alike, we are entering a climate of raised consciousness ebout the need to better manage our facilities and

our human resources."
Whila commenting that he inds the field of office furnishings manufacture to be a most fertile market. Mr Armstrong observes that, in the private sector, "there is a crying need for integration of people, place, and process. We've noticed an increase in spending among companies in the area of capital investment for the environment but have yet to see the sensi-tivity of corporations to the humae element and needs of

Environmental approaches Indeed, the office environment is just beginning to be addressed as a place for human interaction and dynamic exchange. In the view of a leading industry stokesment the II.S. or workers and workelses. mercial furnishings market has matured through two phases and

is engaged in a third. the years before 1960, second volume follow-up to its furniture was manufactured for initial research report. Volume durability and maintenance; durability and maintenance; from 1960-80, esthetics was considered key; while the 80s are centring on designing for productivity. Fred Bell, of Steelcase, says:

"The assessment of the oeeds of workers and environment is a real priority now.
"This is a relatively new

development since the value system of the office in the U.S. has been 'status-oriented' rather than 'oced-oriented'." With the aid of such industry organisations as the FMI, men-tioned earlier, the values that consider the worker will he furthered in the industry. In its fifth year, FMI is a research and consulting group that also offers educational seminars on work-

place management to corporate facilities planners. A spin-off of the FMI is the International Facility Management Association (IFMA) comprised of 1,200

Concern for the productivity and health of workers will assure the integrity of office workers. This will become a more pressing issue as government regulation of the industry is already being felt in the U.S. in the form of legislation to establish office workplace sten-

Mr Tom Hench, group product manager for systems of Haworth (one of the threa top office durnishings manufac-turers in the States), notes: "We are reaching a tima of Walden Pond' revisited. In dealing with a high level of complexity in the office environ-ment, we must simplify our fornishings and interior design response for the benefit of the worker. There is a great challenge ahead for our indus-

SW. 1 14. 24

In a climate of heightened awareness, U.S. manufacturers and office planners perceive standards

try to distill new product solu-tions from today's innovations to prepare for tomorrow."

Mr Hench goes on to describe today's commercial furnishings climate as being part of "the age of convergence," where traditional distinctions between product lines are blurred.

Explaining further, Mr Hench cotes, "Today, we don't define a 'desk," a partition, or a file cabinet per se, but rather e "workstation" environment com-prised of several components." Mr Hench adds that along with improvements in furnishing design and capability, there
have been corresponding
advances in the delivery of
power and building services to
office cettings in the form of
technological importations in
celling and floor systems. "There is so much integration of product, that strict and

limiting product definitions will fade," Mr Hench concludes.

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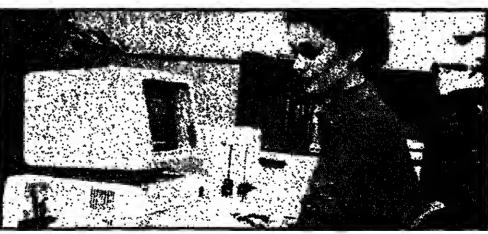
and Wilkhahn contract seating

Planning for office automation in the U.S. MARLENE BROWN MR DAVID KEARNS, president and chief executive of the

dent and chief executive of the Xerox Corporation, has one answer to the problems of the office of the future: "Automation must be managed with clear-cut goals, operating plans, business strategies and performance plans that can be measured. All that has to come before an equipment atrategy." He recommends three priori-

 Information managers should insist on a system plan with equipment specifications and technical objectives that metallocations but the managers should be seen to be a se the needs of the particular busi-

Communication as the essen-



IBM's Displaywriter; this desk-top information system has a spelling verification aid and uses a built-in electronic dictionary of 50,000 commonly-used words

or more practical to aim at and see" attitude. sbort-term goals. Mr Allen Smith, manager of

work.

The pace of new development is so unpredictabla that many U.S. companies ask is it worth-

while making long-term plans who disapproves of the "wait

Mr John Connell, executive director of the Pasadena-based Office Technology Research Group, says that in the past many corporations initially implemented office automation "Doing something about

changes to meet these chal-lenges,"

great to continue in such a hit-or-miss way. To be more cost-productive they have to have a plan to measure results. Questions have to be answered about what they are trying to achieve and how they are going

equipment strategy but how the technology can serve corpor-ate objectives and increase revenue, market share, and net

do it." He emphasises that the key

element in planning is not the

income.

Mr James Carlisle, chief executive of Office of the Future, a consultancy based in Guttenberg, NJ, feels that the impact of automation can be so far-reaching that it may seem elusive. "The payback does not come quickly. Plan to make technology the servant of business, then the payoff will be the improvement in your competitive position," ha says.

your competitive position," ha says.

It is difficult to make long-term office antomation plans that are consistent with short-term goals. As Mr Carlisle says, they must be compatible but also synergetic. Conditions change daily and plans must be tempered by practical strate-ries, which means moving forward step by step.

"A broad view of where you are likely to be in five years is absolutely imperative, because a one-year plan is no

you are likely to be in averaged bears is absolutely imperative, because a one-year plan is no good without the perspective provided by a long-term ontolock," says Mr Robert Dickinson, former, office; systems manager et Epxon Corporation and oow a partner in Perform-

> CONTINUED ON NEXT PAGE.

tial goal of office automation. ERGONOM automation is valuable even without all the answers in sight," he says. "The more Los Angeles-based Atlantic Richfield, acknowledges thet "Remember how people think. Their ideas come in random, unin one department et a time and then gradually moved into planning ahead eod the guldsight," he says. "The more we learn, the quicker we can take advantage of solutions, we do not know what the technology will be like in the future, but we know that it will be very different that the computational it greater will be predictable patterns. Your sys-tem should help people to generate those ideas easily and ance provided by a five-year view has been beneficial be-cause it helped his company to other departments. "Today, senior managers ere realising the risks are far too share them with others."

• Make sure that the chosen For further information: select pilot systems and focus its efforts and energy. Hille Ergonom Holdings Ltd., 38 Warren Street, London W1P 5PD office system allows the staff to expand the scope of their "Planning ahead gave our opportunities it creates will be significant, end that senior management will have to make Tel: 01-387-8001 Telex: 25750 ance Strategies, New York. Here and on the following seven pages, correspondents examine developments in the main categories of office equipment

3,000 MODELS TO CHOOSE FROM

Today's office equipment buyer can select from 74 different categories of machine, with more than 3,000 individual models to choose from, according to Barbour-Builders' new Product Selector guide to the automated office.

Here is 2 selection of some of the main categories of equip

owing the wide range of prices

ment, snowing the wide range of prices in each area.			
	No. of models/ machines available	Prices range from:	
Micro-computers	249	£249-£38,310	
Mini-computers	187	£2,425-£270,000	
Electric/electronic typewriters	71	£230-£2,495	
Word processors	99	£299-£28,700	
Sheet folders	14	£435-£725	
Visual display units	164	£110-£10,500	
Tape drive units	48	£1,229-£52,300	
Floppy disk drive units	50	£136-£10,370	
Printers	262	£110-£100,000	
Modems and acoustic couplers	152	£50-£2,800	
Local area networks	40	£150-£20,000	
Telephone handsets	28	£17-£12,050	
Telephone call monitoring equip	ment 31	£50-£25,000	
Telephone exchanges	28	£300-£140,000	
Answering equipment	43	£78-£1,216	
Telex equipment	27	£1,200-£25,000	
Facsimile transmission equipme	nt 39	£396-£9,750	
Paging systems	- 11	£420-£4,000	
Internal communications system	s: . 20 .	£29-£3,500	
Dictation machines, excluding centralised systems	-59	£30-£750	
Document copiers	142	£80-£57,800	
Stencil duplicators	18	£357-£1,740	
Offset duplicators	42	£2,895-£34,550	
Trimmers	22	£20-£9,950	
Bursters, guillotines	49	£24-£9,970	
Binders	. 50	£45-£12,900	
Shreiders	. 89	£37-£6,757	
Microfilm enmeras	47	£1,115-£28,140	
Microfilm duplicators	. 16	£1,600-£20,100	
Computer-aided retrieval system	ns 15	£5,812-£123,000	
Microfilm readers/printers	134	£35-£39,000	
Mechanical letter openers	14	£18-£1,717	
Mail folders	33	£395-£11,550	
	25	· £285-£32,000	
Postal scales	39	£12-£3.970	
Franking machines	32	£395-£5,042	
Addressing machines	38	£42-£45,000	
		alite deservation	

The figure of 3,000 items would be considerably increased if the product categories were extended to include more traditional and/or non-mechanical items such as furniture, chairs, seating, stationery and paper products, filing, storage items service equipment and so on

Planning priorities

CONTINUED FROM

By contrast: a long-term plan cannot be specific because there will be too many changes in the technology and within your corporation. But planning as far ahead as 1990 can prolight fit i with your goals," says Mr Becker, is performance, which Dickinson. can be evaluated differently in

Looking back on his days with Exxon, he says: "Exxon deveoped three plans which ranged from an aggressive, almost revolutionary, introduction to office automation to a gradual, evolutionary approach."

Striking the right balance

actuates BEEF WEEK

n de de

M Dean Mayer, chief of the N Dean Meyer consultancy in Ridgefield, Conn. says he likes to strike a balance between long-term and short-term plan-

He sees an office automation scheme as a long-term process of integrating systems that change and adapt from year to year. "The long-term plan could include a blueprint of the technology to be used, which would give management a sense of which tools belong where in the nextwark." the network," he says.
He foresees continued price

He foresees continued price reductions and continuous improvement in the processing power of desk-top machines. Automation experts have already predicted the rapid pace of change and the capital requirements and organisational support, that will be needed.

"The key to planning is in recognising that implementation must be tied to jobs," says Mr Meyer. He knows many office automation planners who try to implement everything at

omee automation parameters try to implement everything at once, but "they're not helping-users; rather they're creating ideal dream machines in their heads."

He sees no shortcuts and says that each local implementation should be treated exclusively. because each user's problem is unique, and that a companywide general system would not tackle the real factors that make for business success.

"Long-range planning does not deserve priority over immediate plans because the the business and worry about the business and worry about the quality of the fechnology. I sneourage planners to go ont and be useful, to get things moving, and to focus on integrating systems only after momentum has been built." information staff exists to serve

Many would agree that the logic guiding new products on to the market is unpredictable because it reflects the sellers' marketing strategies. "Moking precise long-term plans is impossible it is like developing a sprategy around someone else's strategy," says Mr Robert Becker, chairman of Rabeck, a consultancy in Montclair, NJ.

"Similarly, information systems goals have to accord with business goals because a com-

business goals because a com-

pany's farince cannot be easily defined." He warns that widespread dissemination of information can cause problems and technological planning must therefore lead to an examination of "the kind of information and the

varying types of company. Manufacturers, for example, make decisions that consider the differences between machines and personality differ-ences between operators.

Standard data bases do not take account of that aspect.

"Many information systems professionals are too analytical, which may suit the finance department when dealing with operations people, materials and machines."

It is generally agreed that information systems executives will have to assume more direct responsibility for corporate profits and that office automation will have to become a more integral part of the operation and less of a service. It will also have to be considered less as a contributor to productivity and more as a to productivity and more as a contributor to each depart-ment's profits. All department managers will become more involved in automation plan-

ning.

Companies like Corning Glass Works, NY, say they are able to deal with whatever changes the future may bring.

Mr. John Parker, Corning's director of information services, regards office automation as a process. "It's not very realistic to assemble a long-term plan and certainly not if the plan specifies how many systems will be used by how many users for what tasks five years from now," he says.

The way to reap full rewards

E. I. Du Pont de Nemours, based in Wilmlington, Delaware was relatively cautious when it tried to introduce three pilot projects over the past two years Mr Raymond E. Cairns Jr. managing director of information systems at Du Pont, has had experience of implementing systems in groups of fewer than 100 people.

"This allows us to explore the technical aspects of automation and to get a better understanding of its advantages and limitations," says Mr Cairns. "When we gain more experience from these pilots we wilf start planning as far ahead as three years but now we are looking toward horizons a year

or 18 months away.

Mr Cairns believes that senior management support is essential in implementing sys-tems. Managers must see that automation can help them and their people to work faster and better. Only then will they be willing to dedicate the resources necessary and reap the full rewards of training.

The desk-top copier war intensifies

Photocopier developments **ELAINE WILLIAMS**

PHOTOCOPIERS have been a developed zerography in 1950. His basic idea for reproducing perfect facsimiles has remained basically unchanged since that

Today the highly competitive copies in small businesses.

document copying market is a These smaller desk-top multimilition pound business have also benefited with more than 140 different from the advances of microchip much as £57,800.

New machines are coming on

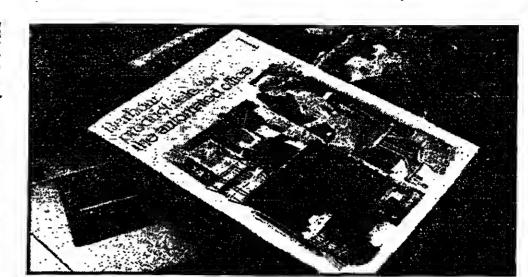
to the market regularly: at this year's Hanover Fair, for example, more than 20 new style copiers were unveiled. Recent developments have been to add sophisticated features at the top end of the market and to put small machines (desk-top size) within the financial grasp of even one-

man businesses.
The newest copiers have a number of special features they are capable of enlarging and reducing, copying on both sides of the paper and on different types of paper, such as an coloured or transparent which

machines will self-diagnose and display faults, some will allow interruption of a long run withous loss of copy-count, while other machines will also allocate costs to users via a monitoring device.

In the small machine sector, fact of business life for nearly many Japanese companies have 30 years since Chester Carlson recently launched desk-top developed zerography in 1950. models. Among these manufacturers are Ricoh, Panasonic and NEC. This trend is likely to be the major growth area for eproducing a limited number of

models of copiers available, technology which is allowing ranging in price from £80 to as photocopiers to take advantage much as £57,800. more sophisticated technology. One of the first manufac-turers to reflect this trend was



another Japanese company.
Canon. It launched its personal
copier range copiers, the PC 10
and PC 20, priced initially at
around £600.

Both these machines were designed to reproduce copies on
mon-sensitised paper, ranging
from air-mail thickness to card.
The machines have a floating The machines have a floating and focusing arrangement, the pressure sensitive roller which image to he copied is stored

sheet of paper as it passes over the drum. The ink is then fixed The machines have a floating and focusing arrangement, the pressure sensitive roller which automatically adjusts to paper thickness.

Canon introduced the idea of the machines have a floating and focusing arrangement, the by pressure and heating.

This system even applies to top range equipment from computational probability and the machines such as Rank Xerox. IBM and Kodak, This end of the machine is limited probably. per, such as an easy-maintenance copier to the drum which becomes the market is ilmited, probably transparent which had a disposable cartridge electrically charged when light accounting in the UK for about the market is limited, probably

10,000 units a year. Kodak is a relative newcomer to the photocopying market, having entered the fray in 1981.

Now it has six models.

Kodak and Canon have just announced a link-up in copiers. The ink covers areas on the drum which mirror the patterns of the original. This pattern is then transferred to a plain

Canon will supply Kodak with medium-volume machines, bearing the Kodak label and using new photoconductive materials. At the top end of the range,

available Builder at £85. The 466-page catalogue lists more than 2.000 models of machine in 74 different categories.

The Product Selector No. 1 (left) aims to cover virtu-ally all current models and supplies. To update readers, a newsletter and inquiry service is available to alert users about new developments in the fast-changing market.

The clearly-tabulated guide aims "to cut through the jungle of Jargon, models and suppliers" and thus make buying decisions easier. (More details on the guide are available on 0344 884121.)

lating and stapling copies as well as turning them out at very high speed. In fact, they are nearly a replacement for small printing shops producing limited numbers of publications

Other major copier manufacturers, such as Xerox, have equally complicated machines. At the top end of the market, makers are aiming to produce

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grown businessman.

Sales of conventional mechanical typewriters decline sharply as users switch to electronic machines

Big demand for electronic models

WHEN THE word-processor first began to make an end of the market, probably impact in the early 1970s it was widely predicted that the days of the typewriter were numbered.

At the npper end of the business of the processor of the surface with the editing and text. Who would want to be without the editing and text manipulation facilities of word-processing?

Typewriters

GEOFFREY CHARLISH

It thus becomes possible to

These upgrades fulfil a need

cular segment for the present.
In any event, according to
market researcher Keith

Canon, Brother, Silver Reed-

Due to a combination of "technology fear," cost, and secretarial bafflement, the wordprocessing take-over was less than complete. Meanwhile, the

typewriter manufacturers of Europe began flexing their

The result was that, from nothing in 1978, European expenditure on electronic type-writers rose to about one-third of the total expenditure on all text-production equipment in offices last year.

Basically, secretaries stayed mation of the composition functions and enough memora. offices last year.
Basically, secretaries stayed
with what they knew, as companles such as Olivetti, Olympia and Triumph Adler offered en-hanced facilities on a basically It thus become

familiar piece of equipment.
Sales of conventional mechanical and electrical machines to the business community, however, have reduced sharply.

Functions

In the simplest electronic

The simplest electronic

In the simplest electronic

In the simplest electronic

In the simplest electronic

In the simplest electronic

In this becomes possible to edit documents after they have edit documents after they have edit documents after they have exchangeable memories to allow work to continue while the last draft is being approved.

At this upper end of the market the machines are approaching the level of word-processing. Indeed, so ome makers are offering the process.

In the simplest electronic makers are offering the necestypewriters, functions previous missing elements — softously performed by moving mechanical components, apart from the impact impression on the paper, are carried out by electronics. The keys become electrical switches which tell

the print head what to do yia logic circuits.

In most instances the printhead is a "daisy wheel"—a 3-in diameter segmented wheel with characters embossed at the end of the narrow plastic segments or "petals." On instructions from the keys, the rotating wheel stops at the proper place and a hammer strikes the character to make an impression on the paper through an ink ribbon.

Most of these machines have

ink ribbon.

Most of these machines have only small memories called buffer stores which permit continuous typing without waiting for carriage returns, Prices range from about £300.

From the manufacturing point of view, assembly is, less labour-intensive, tending to keep prices down, while the user is offered reliability at less as good as with conventional machines.

Culiar segment for the present.

In any event, according to market researcher Keith Wharton, Olivetti sold 28 per cent of the electromic type-writers in the UK in 1983 (some 40,000 units); Olympia 24 per cent, and Triumph Adler 16 per cent.

That these three concerns have been battling, and keeping prices down, is no bad thing because the Japanese makers—Canon. Brother, Silver Reed—

More expensive machines have been mounting major (from about £500). apart from providing such facilities as automatic centring and under-fierce competition at the lower

At the upper end of the business, however, there is a growing confusion for intending users because sophisticated typewriters, low-end word-processors and personal computers (PC) all seem to offer similar word-processing facilities.

For example, the electronic typewriter, with an upgrade box (an attractive growth path) has

(an attractive growth path) has similar facilities to a standalone word-processor. On the other hand, some observers see such word-processors suffering at the hands of the personal computer equipped with word-processing software. Personal computers are in-

creasing rapidly and the soft-ware offered for word-proces-sing is fast approaching the standard offered by dedicated functions and enough memory to store a number of complete

word-processing.
It seems likely that as the office world becomes more and more familiar with the screen and keyboard, and as secretaries are required to perform electronic mailing and other screen-based functions, the future of the electronic typewriter as such must be a little doubtful, in larger companies at

any rate. On the other hand, many ware, processor, screen and floppy-disk hulk storage—in an on the other hand, many organisations are still replacing conventional typewriters with electronic models. It is estimated that of the Iom typists in Europe, 9m are still using manual or electromechanical machines. In the U.S., researchers Frost and Sullivan forecast a marset sewith of 50 "upgrade box" which converts the typewriter into a full-blown forecast a market growth of 50 per cent a year up ta 1988, hy which time the electronic type-writer market in the U.S. will have reached \$4.2bn

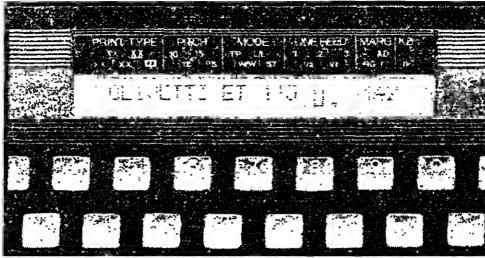
Facilities

According to this report.**
stand-alone word-processors have peaked in popularity and by 1988 sales will have declined \$183m from their 1983 level of \$897m. But the fact remains that in

real terms the cost of electro-nics continues inexorably to fall, while the facilities it can offer are always improving. In the long run the screen and key-board may well prevail.

*Office Automation Systems Information Service, Keith Wharton Consultants, Richn

on Thames, Surrey (01.940 7366). **The Low End Word Processor Market, Frost and Sullivan, London (01-486 8377).



The Olivetti ET 115 electronic typewriter's keyboard, showing the liquid crystal

The growing army of office workers

There are now more than 50m office workers in Europe. West Germany leads with 10.5m; other figures are: France. 2m; Italy, 8m; Spain, 5.2m; Netherlands, 2.6m; Norway, 1.8m; Belgium, 1.8m; Sweden, 1.5m; Deumark, 960,000.

Just under half of Britain's workforce may be classified as office workers: a total of 10.4m out of a total workforce of 22.5m.

WOFRETS: 2 (OLD OF 10.11)	Total Workforce	Office workers as % of tota	Office Nursers Im
and made	2.3	70	1.6
Self-employed Employees, manufacturing industry	5.4	30	1.6
Employees, agriculture, mining, ec and public ntilities	enstruction 2.0	15	6.3
Transport and communications	1.3	22	0.3
Distributive trades	2.7	20	0.5
Other services	7.3	76	5.1
Other public employment	1.5	65	0,1
Totals	22.5	46	10.4
	he total	does not in	clude the

Figures for March 1983. The Figures for March 1983. The total user compleyed who are armed forces.

The self-employed figures includes the self-employed who are also employers. The 70 per cent estimate of office workers does not imply that nearly three-quarters of the category are in clerkcal jobs, it is simply a reflection of the fact that most self-employed people have to keep books and other records and therefore need some type of office facilities. The "black economy" self-employed are not included in the figures.

"Other" services includes education.

Source: LIK figures from Office Equipment Digest. Other data from Wharton Information Systems.

The choice becomes more complex

A FEW years ago, buying a word processing (WP) system was a relatively simple matter, compared to today's situation.

A buyer dealt with a specialist WP company and for larger applications bought a shared resources system in which up to a dozen or so screen/keyboard terminals shared a minicomputer, hard and soft disc stores and one or more printers.

For a smaller commitment, he could consider the alternative of desk-top stand alone machines bought individually for users as the need arose.

Indeed, both types are still important elements in the market, hut the specialist makers are having a harder time because the stand-alone desk top personal computer (PC), originated by a different group of companies for more general husiness computing by individuals, can obviously be programmed for WP as well.

Meanwhile, the typewriter industry was responding with electronic machines offering, in the more expensive models, word processing functions that were perfectly adequate for thousands of small business

More recently, upgrade boxes for typewriters have appeared containing a screen and sloppy disk store that transforms the

Word processing systems

GEOFFREY CHARLISH machine into a full-scale word

This add-on move by the typewriter companies was not unexpected. Not only is it a useful upgrade path from typing to WP. For the manufacturers (primarily Olivetti, Olympia and Triumph Adler), the screen and keyboard with memory con-stitutes an entry point to the next office "revolution"—the networking of terminals for

networking of terminals for data and text communication, including electronic mail.

In the UK, IBM has the higgest installed base of word processors according to the OASIS office automation survey published by Keith Wharton, It also topped the 1983 sales league by installing 3,000 Displaywriters and 200 workstations for the 5,520 shared

two-thirds of the UK market. In 1983, Digital Equipment (DEC) made a sudden surge, with refined software and a dealer count that now tops 100 in the UK.
There is no doubt that companies such as IBM, ICL. DEC
and Wang, with significant
general computing customer

bases, can successfully promote WP as part of overall computing deals. With their massive research programme embracing communications, they are also better able to discuss networking. And they have rather more flexibility when it comes to price

So far, the Japanese have had no significant impact in this

The Wordplex 8000 integrated office system supports up to 24 terminals and 24 printers

sector in Europe, largely be- tain many common phrases or cause they have no developed paragraphs, with perhaps 10 per home market, which, in turn, is cent or so that are different. due to the nature of written. The chore of re-typing the Japanese. Exported, boxed pro- 90 per cent, simply because ducts, such as typewriters with 10 per cent has changed, European style keyboards, are vanishes. The 90 per cent is one thing, but word processing, and the support it needs, is machine's memory and printed another.

Example

measurement of the present typing throughput and an esti-mate of the likely growth. Sufficient work load may well indicate a share resource system, in which case the advantage of simpler operation for the user will be obtained at the

Much depends on the type of work involved. For example, in an affice where each typed letter is usually quite different from the last, an electronic type-writer may be the hest purchase for the typical director's secretary, for example.

WP tends to come into its own when larger numbers of documents are typed that con-

resource system.

ICL also sold 3,000 systems, while Wang did well, having become the dominant shared system supplier—it has some starting point must be careful system supplier—it has some starting point must be careful examples, examples.

> all executives and managers would type (many do, in the U.S.), however badly, then fewer typists would be needed. Professionals working at home have already discovered the truth of this. Given a good WP unit, with its correction and editing abilities, a letter or any other document can be produced quite quickly with perfect composition and no errors.

> Authors, and many journalists, including an increasing number at the Financial Times, are now able to edit their stories on screen, changing words, shifting paragraphs, refining style, until the text is honed to its final

EUROPEAN TEXT PRO-**CESSING REVENUES**

Text processing revenues in \$m for 10 European countries over a four-year period to the end of 1983; the figures include ent to took the agency of the control of the contro

West Germany ... 554.4 456.1 Italy Netherlands 186.5 Spain Belgium 97.4 86.2 77.6 Denmark Total \$2.78bn Sources Wharton Information Systems

form. Only then is it "typed," straight out of the computer memory.

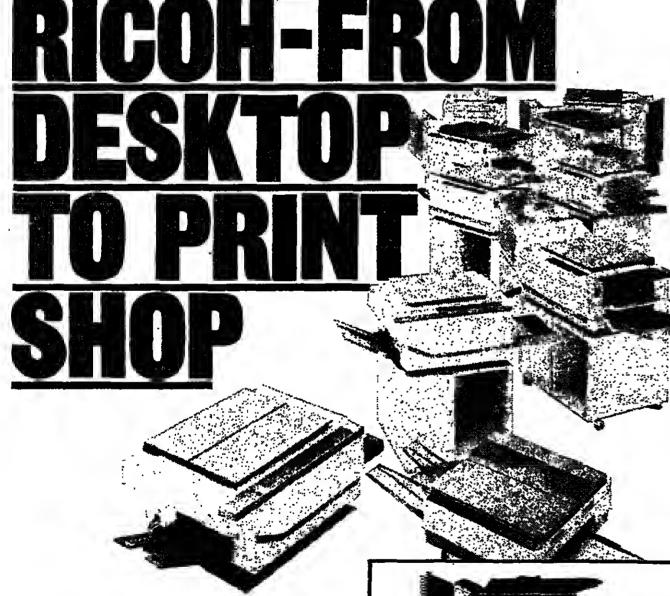
But software is all important in this kind of application because an executive with his own PC for example, running a WP program, is likely to become irritated with having to remember strings of keystrokes to produce simple results-and then having to wait several seconds for something to

happen. This is where dedicated word Solicitors' offices, contracts processing has scored, office departments, and the per requiring single keystrokes with sonalised "mail shot" in named keys for complex promotional departments edizing functions.

But PC software is improving all the time and the PC has the

be carried out on it.
There are some industry
observers who believe that the dedicated WP is on a losing the office environment will be for multifunction workstations. connected by networks to similar terminals elsewhere in the building and in other parts of the world. A recent major ennouncement by Logica bears this out, and most of the computer companies have computer companies have similar offenings or ideas, But of all the things that

can be done with a screen and keyboard in an office, word processing is still the most important for the largest numbers of staff.



Choose Ricoh and you can be confident about your copying. Since 1978 Ricoh has been the world's biggest

Now an expanded range with new machines covers the whole spectrum of office reprographics. Including

offset print. All made by Ricoh. You can choose the compact M10 B4 minl copier, or the top-range FT6080 for high speed systems copying. Between those two models are tweive others with features and options guaranteed to give you exactly what you need

for specific copying applications. Success is a Ricon habit, whether it's cameras, laser technology, ink-jet printing or semiconductor chip manufacture. In Japan, that success has been recognised by the award of two rare and coveted Deming Prizes for total quality control.

In Britain, success in the vital area of after-sales service was confirmed this year when Ricoh topped an independent poll of users - against copiers from 14 other

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With the FT5070 you can zoom to any reproduction ratio from a quarter of your original size up to double; make A3 or A4 double-sided copies automatically, and solve bottlenecks with 35 copies a minute output. Picture shows 1,000 sheet paper tray, automatic document feed and

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Lively market for portable machines

Dictation equipment

MICHAEL WILTSHIRE

THE market for dictation equipment grew by 13 per cent in the UK last year and the dong-term future for items such ang-term ruture for items such as pocket memos and portable dictation machines is "very bright," according to Philips Business Systems, which domi-nates that section of the market.

The dictation equipment sector is divided into two main areas:

 Self-contained recorders (either desk-top or hand-held) and transcribers which are passed physically between author and typist. There are 56 different models on the mar-ket, ranging in price from £30 (Binatone) to £750 (Harris).

Centralised systems, used mainly by larger companies, enable multiple authors to gain telephone, to a "pool" of typists. Manufacturers in this sector include Dictaphone, Assman, Philips, Harris (formerly

equipment: the standard audio cassette, the mini-cassette, de-veloped by Philips, the micro-cassette, which is growing steadily more popular, and the Grundig system

Among the supporters of the mini-cassette are Dictaphone. mini-exsette are Dictaphone, Olympia and Sanyo (which also

Olympia and Sanyo (which also sells standard and mini-cassette models).

Pallips leads the market with more than 50 per cent of dictation equipment in the UK, according to a Euromonitor report. Sales of table-top equipment and hand-held machines are shout equal at 30 per cent are about equal at 30 per cent each by market volume, while hand-held note-takers command about 40 per cent of the market. The total UK market was around £33.5m last year and could reach £36.5m by 1985. Users are buying around 350,000 units a year in Britain: 200,000 of these through business equipment outlets and direct sales and the rest through high street outlets.

Philips still firmly maintains that the mini-cassette, which was specifically designed as a dictation medium, will remain the basis for all future Philips dictation machines. Mr Robin Hayward general manager of Philips Desk Equipment, comments: "The mini-cassette more than adequately fulfils its role. Anier), Sony and Williams. The alternative micro-cassette further extend the 460's data groups of around. There are four formats of would seem to offer no advant- storage facility. Philips hopes and two or three



indexing facility is a feature of Philips' System 800 dicta-tion equipment. The method allows authors to provide their secretaries with an immediate visual reference to sette. Desk top and pocket

age, other than the perceived one of tape length (60 minutes). "But we believe that a 60minute tape full of dictation is a disadvantage, as the secretary would then be faced with trans-cribing about 15 A4 pages of

The company is extending the capabilities of its recently-launched 460 centralised system by adding a "dictation manage-ment system"—a sophisticated computing unit, designed to pro-vide supervisory functions and

electronic and marks on the cassette to indicate end of letter and specia instructions. Philips says that its Hi-Q sound reproduction facility marks a significant advance in dictation equipment sound quality

that the system will appeal not only to large and medium-size companies, but also smaller organisations which have so far not considered contralised dictation systems.

Dictaphone dominates the cen-

Dictaphone dominates the centralised dictation sector and claims around 35 per cent of the market, solling mostly directly, with only a limited operation through dealers.

Dictaphone is concentraling sales on its versatile 1925 small workgroup centralised system, which is intended primarily for groups of around six dictators

groups of around six dictators

Area of business	Turnover	Exports	Number of
Computers, data and word protesting equipment	£3,66bn	£1.03bm	56,400
Office machines	£1.13bm	£414.2m	25,850
Forms and filing equipment	£448.2m	£105.1m	11,850
Furniture	£194.6m	£30.4m	6,950
Total	£5.43bn	£1.58bm	101,050

Turnover up by 100% in three years

business equipment industry business equipment industry than 100 per cent in three year, according to a survey this year by the British Equipment by the British Equipment Trade Association (BETA). The survey, based on the 1983 figures, was carried out among the 200 members and associates of BETA, which includes the major multi-nationals as well as com-paratively small organisations in the headness continuous

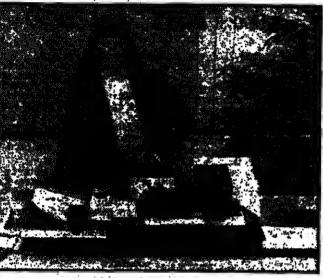
Turnover increased by 107.5
per cent from £2,62bn to
£5.43bn. Exports rose from
£1.3bn to £1.58bn—a rise of
21.5 per cent. The number
of people employed in the

REVENIE

sector has increased from around 70,000 to 101,000 over

The association divides turnover into four main areas (computers, data and word processing equipment; office machines; forms and filing equipment; and office furniture), although it is recognised that there are everincreasing grey areas within the industry where technological advances make it difficult to define, with complete clarity, when-for example—a typewriter becomes a word processor or example—a typewriter becomes a word processor or when a desk system becomes

MICHAEL WILTSHIRE



Electronic scaling, feeding and franking; Roneo Alcatel's 7505PMA electronic franking machine can handle up to 6,500 letters an hour

Microchip makes impact in the mailing room

like Sover Marshall or D. D. Lemson are permitted to install a "wide area network" of mail-

At present peckages have to be weighed and franked. Here the microchip helps, with the electronic scales of such sup-pliers as Stevens and Avery saving time and enhancing accuracy in the task of assessing

charges.
There are models which can

programme up to 10 frequently-used parcel destinations on to dedicated keys. Surcharges such as registered mail can also be made single-stroke operations.

Franking remains the main hold-up, with the Post Office "exporting" the labour of

3.5 bg.

Because the machine itself does not have to be humped around it can be fitted with a heavier-duty motor which makes it more reliable.

Another new machine from Haster has a built-in printer which issues departmental totals

One important improvement in

when required.

Advances in mailing machines ing tubes along underground RITA GRAY

MANY OF the routine jobs traditionally performed in the mailing room or at the secre-tary's deak have been trans-ferred to the data-processing

department as mail preparation goes on-line.

Companies with data-processing equipment of any kind, including small desk-top computers, can generate labels from their lists on the office printer. For more than half of UK businesses this is becoming familiar technology.

nesses this is becoming familiar technology.

Not everyone likes the labour of the envolope, however. It betrays a "third class" message and wastes the money invested in high quality printing equipment which can produce a personal style of circular letter.

So one of this year's innovations is the customized direct printer which goes on-line to print lists directly on to envelopes for non-DP concerns. ASI has produced a keyboard unit which stores 1,000 names and addresses on each floopy disk.

Even so, labels are convenient and suitable for many purposes.

Addresses on each floppy disk.

Even so, labels are convenient and suitable for many purposes, particularly if they can be custom-designed for the job.

Most machines' software programmes allow only one or two formats, but equipment introduced this year — by Zeta for example — enables means to create 939 different label designs and use them all in a mailing hatch.

The latest advance in value card-operated frankers is a high-speed device which automatically dispenses and seals the labels. A model imported from West Germany by Envoyak from West Germany by Envoyak from the labels. A model imported from West Germany by Envoyak from West Germany
create 389 different label designs and use them all in a mailing batch.

Mesawhile, the Post Office is persuading businesses to adopt its address coding system in time for full sorting automation late near year. The many adventages of coding a computerised mailing list are emphasised by the Post Office, which is officing so subsidise Meanwhile, the Post Office is persiating businesses to adopt its address coding system in time for full sorting automation late near year. The many adventages of coding a computerised mailing list are emphasised by the Post Office, which is offering to subsidise the introduction of codes to a database.

database.

There is planty of scope for systematising certain departments—sales for example—with a coded list. There is a 2 per cent saving on first or second class post eligible for discount posting; and everyone benefits from faster posted services.

With mail preparation becoming a function of the DP department, appropriate action. the mailing room is the floppy disk, though this resourceful little repository of magnetic in-formation is delicate and hable to "forget" if wetted, heated or

department appropriate equipment is increasingly coming into the category of computer period formation is delicated to "forget" if wetter it is at the interface with the category of computer period to "forget" if wetter is at the interface with the category of computer period to "forget" if wetter is at the interface with the category of category of category of category of the ca

other in the ordina procos: delters, however. No have been quick to come up
remedy seems possible unless with a range of floppy disk
wictum tube system holiders packaging aids.

PACE TO SERVICE TO THE PACE TO

nriginal material over the tele-phone network so that the

copy can appear anywhere in

the world.
Until recently facsimile equipment has had limited applications. The main applications have been in the publishing world, in police forces for the transmission of copies of finger prints, and by weather bureaux for the transmission of the transm mission of weather report

Industry and commerce are now becoming aware of the potential for facsimile in the electronic office of the future. electronic office of the future. Developments in facsimile are leading towards machines which can be integrated into computer systems and office photocopiers, for example.

"A few years ago facsimile was a fairly dull business," admits Mr Derek Arnold, assistant general manager of NEC's business systems division in the UK.

FACSIMILE is one aspect of business equipment which is its Nefax 4500 from BT for its public Bureaufax system.

It has been the Japanese who logy into a previously mechanilikely to grow over the next

the market is growing at a rate of 30 per cent a year.

Facsimile equipment

ELAINE WILLIAMS

Four companies dominate the facsimile market: NEC. Matsushita, Ricoh and Toshiba.

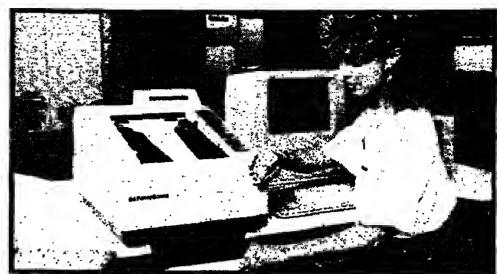
few years. Facsimile machines have similarities, with photocopiers in that they are intended to produce a near-perfect copy of an original document. The major difference is that facsimile machines transmit the coded form of the Britain bas an estimated 27,000 to the produce the ideologic alphabet which is areas of black and white areas), moving over the paper which was attached to a rotating drum. The photocell turned the information on the paper into a prisinal material over the tele-It has been the Japanese who logy into a previously mechani-have taken the greatest techno-logical strides. The reason is the ideologic alphabet which is areas of black and white areas), to 30,000 of this total. In Japan, could be transmitted along the however, facsimile equipment and arcelving machine which per-

New applications give market a boost

It could take up to six minutes to transmit a single sheet of A4 copy. The most modern facsimile machine coming on to the market transmits this in a mere 12 seconds. The next generation will be able to cut this time down to only five accords.

only five acconds.

The photoelectric cell has been replaced by a charged couple device as the scanning eye. Matsushita recently announced that it has developed a novel type of image sensor which can scan a letter-size document in one second. This will be used for its next range of high-speed facsimile machines. This sensor is based on eight silicon chips which touch the surface of the document and detect text.



This Pitney Bowes facsimile machine, model 8800, has a 20-second transmission speed plus at autodialling facility for transmission outside of office hours

Four companies dominate the symbol facsimile are leading towards machines which can be integrated into computer systems and office photocopiers, for example.

"A few years ago facsimile was a fairly dull business," alloh and Toshiba. Cher companies are branchine in the UK.

British Telecom, along with some other telecommunications in the U.Bix range, the IP585, made in Tokyo by Mitsubishi, is comported to promoter the technology. NEC, or example, has just received an order for more than 150 of the fax in a companies dominate the eye. Matsushita recently standard that the selected a novel type of image sensor in the sensor is based of high-speed facsimile of high-speed facsimile of high-speed facsimile of the future which and communication is known as data compression. The latest machines have will near the five second dead-line. Group 4 is being developed for the time when all telephone exchanges are brighted in the under the surface of the document in one second. This sensor is based on eight silicon chips which can store up to 15 pages.

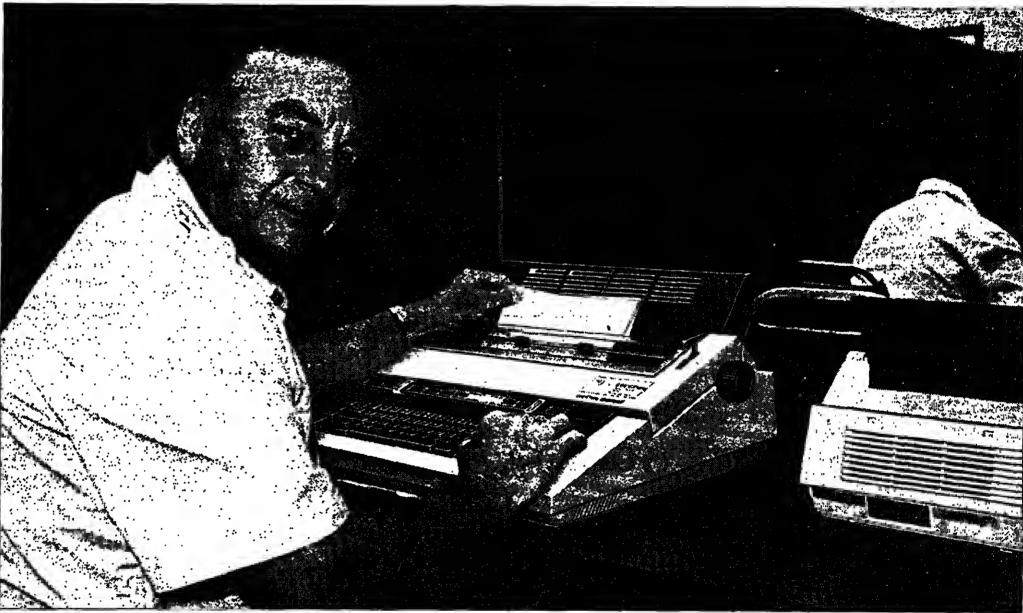
The top fax machines of the future which will meet the five second dead-line. Group 4 is being developed for the time when all telephone exchanges are to replace the predominately built-in automatic diallers to save having to redial manually of high-speed facsimile on eight silicon chips which as systems division to decide the receiving machine is developing laser systems. These are, however, several the second dead-line. Group 4 is being developed for the time when all telephone exchanges are to replace the predominately built-in automatic diallers to save having to redial manually of the receiving machine is digital.

The latest machines have, built-in automatic diallers to seve having to redial manually of the receiving machine is degrated in the fax field for the time when all telephone exchanges are bring that the first transmit the fax field for the time when all telephone exchanges are being installed in greater numbers throughout Europe.

This sensor is based of facsi

Sports Editor

The Atlanta Journal



Thank You ENI-200!

Most people think the life of a reporter is exciting and glamorous. Well, a lot of times it is. At the recent Los Angeles Olympics, for example, we were able to witness athletic history in the making. But once the festivities are over and deadlines draw near.

our jobs boil down to the common denominator for success in any profession ... hard work. That's the time we really appreciate a fine electronic typewriter like the Brother EM-200, the official typewriter of the Los Angeles Olympic Games.

Its 8K memory, computer interfacing capability, 500-character correction memory and 16-character visual display, really help to get that copy into final trim. That's why I'd like to say, "Thank you EM-200". Thank you for making my job a lot easier than it could have been.



"Who makes good things, makes good friends." Brother Industries, Ltd. Nagoya, Japan

1):1

New generation telephone equipment

THE LAST 18 months have seen a dramatic transformation in Britain's telephony market. Two factors bave been largely responsible. The first is the great incentive provided both to British Telecom and to the plethora of privately-owned companies operating in the mar-ket by the liberalisation of the market and the forthcoming "privatisation" of BT.

The second factor is the enormous pace of micro-electronics development which has led to sophisticated technology becoming available at increasingly

cheap prices. The major beneficiaries have been the business purchasers, although the growth of interest in the market bas also opened the door to an energetic bunch of entrepreneurs who are spe-cialising in this market area. The choice of suppliers bas

never been greater.

BT itself has undergone a period of active development, producing both an extensively revived product portfolin and a new image through an intensive advertising campaign. The face that it now offers to the business customer of good service, coupled with state-of-the-art technology is largely accurate. BT can offer systems to meet most business needs, including a new range of intelligent tele-phones with both business and domestic applications.

Improvements

Established manufacturers and suppliers have also resmonded to the changing market.

Many feel that their progress
has been slowed by an approval
system hamstrung by the need to evaluate equipment against existing criteria, which has the effect of penalising true ignovation. Recent history, bowever, suggests that the situation is

improving.

The greatest change in the market has been the emergence of a thrusting group of specialised telephony distributors and retail outlets. They mainly often for the religious individual. cater for the private individual and small business customer. Their effect has been the crea-tion of a consumer-style marketplace for telephony requirement at the lower levels of price. The key to their continued

ability to prosper lies in the ready for further applications as use and where access to services crucial area of service, where they arise.

As the situation stands, it codes. crucial area of service, where they will both bave to meet the stringent criteria needed to become approved service agents and continue to supply a level

of service and after-sales sup-port upon which commercial viability will increasingly rest. Telephony equipment can be conveniently divided into three main areas, PABXs, key systems and telephones. The transition from analogue to digital tech-nology has placed the PABX (personal automatic hranch ex-change) at the leading edge of office automation.

Modern PABXs not only offer

extension users a wide range of sophisticated voice communications facilities such as abbre-viated dialling, call diversion, wait on busy, and so on, but are also being seen in a data communications role.

Since liheralisation allowed the major manufacturers to supply and instal PABXs with fewer than 100 lines and also supply the line wiring de-signers have been increasingly active in develoring systems which can combine both voice and data functions.
Thus, although full integra-

tion is not appropriate in the majority of cases at present, the modern purchaser should he looking for a PABX that will be

As the situation stands, it seems that while LANs (local area networks) will handle highspeed data transfer from computer to computer, the PABX will increasingly be used for routine voice and data communications.

The main barriers to wide-spread application of this tech-nology are the lack of standards for interfacing the different parts of an office automation system and the lack of a digital network. Market forces and time respectively will alter the situation, however, and the PABX will be at the forefront of office automation.

Workstations

Due to the sophistication of current PAEXs, one area that is bound to see rapid growth is executive workstations; intelli-gent telephones which combine data and voice functions and

provide an access to electronic mail services.

Many of the executive workstations on the market can also help the business user to get the most from the company's PABX, whose wealth of functions are infen underutilised by those with nothing more than a push-button phone to get as the Entirepreneur.

Basically, user-operated communications are infen underutilised by those with nothing more than a push-button phone to get as the Entirepreneur.

Basically, user-operated communications are infentionally as the Entirepreneur.

Basically as the Entirepreneur.

The growth of equipment sales was been most rapid in the small business sector. This is due to the fact that PABXs have made little impact in this sector and because of the sbeer

size of the market. Nearly 80 per cent of all companies in the UK employ 20 people or fewer, which goes a long way to explain the popu-larity of the second major area telephone equipment: key systems.

These systems place the benefits of SPC (stored program cou-

fits of SPC (stored program control) in a package that provides the level of sophistication just right for the small business at a price they can afford.

Normally, each extension will cost between £300 and £400, although prices can range from below £300 to over £600. The result is the creation of a market of over 30,000 units a year, although setting precise criteria. although setting precise criteria on the number of staff required to make a key system viable is bard. This explains why a company such as Mitel produces PABX/key system hybrids such

Telecom Gold data link

MANY companies in the information business now depend on the speed with which they can make their computerised database availhave direct access to the datahase from their own computer systems or other terminals, great frustration can be caused by sudden failure of the bost computer system. UAPT Infolink, a leading UK holder of credit data, has called this realized this realized the computer system. solved this problem by offer-ing a back-up information ser-

ing a back-up information service through Telecom Gold's electronic mail system.

UAPT/Infolink is owned by its members, currently numbering 10,000, who each contribute to and have access to the automatic credit enquiry database, (ACE), which is directly accessed from more than 1,000 locafrom more than 1,000 locations in the UK, normally via viewdara, teletype, telex or computer-to-computer links,

are normally cootained in a numeric sequence after the name, so that GEC's 520 offers five external lines and 20 extensions.
Systems can be operated

below their maximum specifica-tion, allowing them to grow with the company, an important feature.

Key systems offer many features, although it is important to identify those of direct use to your company before looking at specific systems to avoid being confused by the sheer number of capabilities.

The most useful of the generally available features are full two-way loudspeaking which allows bands-free operation on both exchange lines and internal calls, together with the paging of staff.

Memories

Abbreviated dialling, usually with both personal extension memories and system memories, call transferring, call barring and automatic diversion are all worth baving. It should also be remembered that since incom-ing calls can be answered from all extensions, it is important to bave built-in operator features

such as a night service.

Many key systems now feature units with LCD displays. These can be used to indicate simple information like the extension called or to give more complex information like the number of units used on a call, and the cost of those units. With all of these features available on the system, and available to all staff, if required, proper trainig: is essential to get the best our of your investment.

Intelligent telephones or

Intelligent telephones or feature phones have become a boom market. They offer a win-ning combination of labour-saving features and smart, modern

Units vary greatly in sophisnication, with some nnly offering one feature such as abbreviated dialling of commonly used numbers and others offering a wide range of capabilities such as abbreviated dialling, two-way loud speaking and on-hook dialling.

Cordless phones, which can be operated at some distance

popular. TTC, a wholesaler which moves over 6,000 units per month, has identified the three best-sellers as: the BT inroads into the office equip-statesman push-button unit; the 50 number memory Ace Tala com hands-free phone and the Uniden Cordless which has a range of up to 700 ft.

The intelligent phoce market looks set for continued growth, since the modern generation of phones appeal to all sectors of business and to the domestic The modern telephony market forms, is the market leader and is now reckoned to account for

is a rapidly changing nne, and is now reckoned to account for the speed of development seems about 70 per cent of all future. The business purchaser bas never needed to be more aware of the market's development

and have good information on equipment and future develop-

Sooy.

Microcomputers This was an important selling

There are now more than 100 different mode's of microcomputers on the market. The soft-ware sector is also growing rapidly with more than 5,000 programmes available. Above: the Xerox 16/8 microcomputer, incorporating two processors with two quite separate memories

New models flood into

crowded market place

point in a market where finan-cial fortunes can change drama-tically. It is acknowledged within the industry that few of HARDLY a day passes without the announcement of a new model of personal computer. In the 720 or so computer models from more than 150 manufacturers around the world can survive. In the past year some 200 products have been taken off the market and about 30 companies bave ceased trading. Japanese manufacturers, recognising this problem, have set about standardising their

Data General and Philips hava launched their own ranges, vying for a market share with companies such as Olivetti, Bur-roughs, Apple, ICL, Hewlett Packard, Texas Instruments and competing models. The idea is to allow customers to use the same computer programmes on any model and to communicate with each other for services like electronic mail.

Until recently there was a tendency to make computers incompatible in the hope that a customer would stick to a single Large companies buy micro-computers in their bundreds to provide managers with financial information and link into larger In the small computer market computer system, for example.

businesses want more freedom in the way they link their equipment together, picking components from a variety of Small businesses and indi-viduals can run their accounts and stock control and use the personal computer as a wordmanufacturers. Japanese com-panies, including Sony, Sharp, Sciko, and Toshiba, bave chosen a single operating system, named MCX, which dictates bow the computer

the computer market. Relatively late into the micro-Computers can now use one of 240 different operating systems, of which MS DOS and CP/M are the most popular. computer market. IBM waited until the market was proved before introducing the PC. But it still remains to be seen Though the computer was technically not so innovative, be successful with their strategy

on operating systems.

Microcomputers present a
problem in that they not only buyers felt that IBM was un-likely to drop suddenly out of the market.

have different operating systems but must be able to work in widely differing condi-tions. For example, some machines must be powerful enough to allow more than one user at a time or be used by only one.

It might be an 8-bit, 16-bit or even \$2-bit computer. This is a measure of its speed and computational ability. Eightbit computers tend to use the CP/M operating system. No outright leader has emerged for 16-bit, though CP/M and PC.DOS and MS.DOS are

Compatability

Some manufacturers have adopted a policy of making their computers compatible with IBM personal computers. This is probably the second largest secprobably the second-targest sector behind IBM itself. ACT's
Sirius and Apricot machines
are examples of such machines.
As important as the microcomputer itself are the programs—the software—to go
with it. This sector of the marbot has proven revielly over the ket has grown rapidly over the past year the number of com-puter programs available bas doubled.

In the UK alone it is estimated that there are more t 5,000 programs available from 1,300 suppliers. The strongest growth has come in business software, including database information systems, spread-sheets and financial planning. Business graphics has also grown rapidly in the past year.

Software companies are also tending to aim at particular markets like accountancy and stockbroking, while scientific software is becoming increas-



Office space is expensive, it makes business sense to use it efficiently.

An integrated, flexible, modular office furniture system is one of the best starts.

Efficient, sophisticated, integral wire management facility in both desks and screens won't hurt either.

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A planning service to put the above together in the most beneficial way to yourself is ideal.

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More alternatives in cable management

ELAINE WILLIAMS

the past month or so IBM has added the AT, a new version of its successful PC. Meanwhile,

Linking the systems

GEOFFREY CHARLISH THE GROWING numbers of electronic units in offices, ranging from typewriters to personal computers, has called for new approaches to the safe, con-venient and cost-effective provision of electric cabling.

Eventually there will be

either change or expansion in most offices, so that any con-ventional power and signal cable installation will need expensive modification. The alter-native is long leads trailing over the floor and multi-socket adap-

tors.

The use of platform floors in computer rooms is already well known. Cost and performwell known. Cost and performance comparisons now also prove this to be a popular choice for offices—a fact borne out by the increase in the number of such floors being installed in both new buildings and in refurbishment schemes. One of the largest UK manufacturers, Propador, reports a three-fold increase in demand for office applications over the past three years.

In smaller offices, with up to a dozen or so people, one of the multi-outlet systems, wall mounted, can produce a solu-tion to the cable management

Electropatent of Feltham, Middlesex, offers a system called Multipoint which consists of a long plastic extrusion en-closing three rigidly-supported copper conductor rails. At 300mm intervals the rail is spe-cially formed to accept and grip the pins of a standard 13 Amp plug. A sliding guard closes to cover the plu holes after the

plug is removed. Multipoint can be run horizootally at any height round the wall of a new or re-furbished office and the ducting bas space for signal cables as well. The company says the cost office equipment is connected, as the cable itself.

can be as little as £4.50 per This in turn links to the nearest socket, including labour, whereas conventional sockets can cost signal cabling systems under the up to £20 each to instal.

A similar system from Electruk of Kingston-on-Thames, also uses three bus bars, but the different. A special plus is inserted and then turned through 90 degrees. The turning action brings the line, nentral and earth pins into contact with their respective but here which their respective bus bars, which are spaced one behind the other away from the wall, Electrak is claimed to ba par-

Electrak is claimed to be par-ticularly safe, A finger can be inserted quite safely in the socket holes since all the live metal is well above and pro-tected in slots within the inter-nal plastic. Furthermore, the socekt outlets are spaced at either 100mm or 200mm, so that an appliance can always be plugged in with the shortest possible cord.

Another version that will also accommodate signal cables is

Electrak costs about £35 per metre run and £1.60 for a plug. It is claimed that beyond just one or two outlets in a room, the system becomes progres-sively cheaper than

tional installations. Example

In large open-plan offices with no partitioning, where some workstations might be 20 ur 40 ft from a wall, falsa ffoors or ceiliogs are needed. Electrak for example, is being used by Floorplan Electrical of

Blackburn, which specialises in underfloor systems.
In its flush-floor trunking system, a 65 mm deep three-compartment duct is sunk into the screed at the building or refurbishment stage. A series of floor-level llds forms the top

outside ones for telephone and data cables. a floor outlet box to which the

surface. Electrak runs in the

ceotre compartment, leaving the

Since Electrak was launched in March 1983, the emphasis has shifted from walls to floors (or ceilings) and Mr Chris-topher Adams, finance director, believes future business will divide about equally between the two.

Earlier this year a system called Versa-Track was autroduced into the UK by the U.S.based company Thomas and Betts.

Provided that carpet tiles are used, this flat cabling system can be run on the floor surface to give complete flexibility of workstation positioning, which, the company claims, is not always possible with undersloor ducts. Office layout changes can be made while normal work goes on.

goes on.

Versa-Track is only 0.034 ins thick and causes no noticeable "hump" under the carpet. The mains cable consists of three thin copper strips, 0.75 ins wide, enclosed on each side by laminated polyester strips covering the full width of about 3 ins.

Small diameter coaxial cables and telephone cables with up to 25 pairs are moulded within flat strips 0.5 ins wide or less. They are run separately adjacent to the mains system and the whole is protected from above by a thin steel strip taped to the

To branch off from a main run, special punching and crimping tools are used in a joining process taking about five

Thomas and Betts claims that

an average office can be called for 60 per cent of the cost of the conventional ducting approach. On the other hand, Toshiba belleves flat cabling is too expensive. In Japan it has Introduced an underfloor system that accommodates broadband and baseband (high and low Any lid can be exchanged for floor outlet box to which the devices for networking, as well

ingly important. Use a micro buying one



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Computer printouts end the 'paperless office' myth

Stationery and consumables MICHAEL WILTSHIRE

DESPITE ALL the predictions of the "paperless" office, the desk-top revolution is bringing 2 much-needed boost for the commercial stationery

In Britain, the biggest growth area in the £2.25bn stationery market is for computer printout products. Sales

puter printout products. Sales in this area increased by 50 per cent last year.

The prospect of the so-called paperless office is discounted by most observers, who believe that there will always be paper-in one form or mother; including photocopies and printouts, despite computers, inknofilm and fiche, and such systems as telex and face, and such systems as telex and faceimile transmission equipment.

A Key Note report on the stationery market says there will be no sudden end to the demand for written communi-

demand for written communi-cations, so that filing and other conventional stationery systems will have a future for at least the next 20 years.

The electronic office is also beinging with it other hyperties

The electronic office is also bringing with it other lucrative and expanding markets for "consumable" items: the ribbons, printheads and floppy disks without which many kinds of office equipment simply cannot function.

Rank Xerox is the biggest supplier of cut sheet paper in Europe. In 1983, its office supplies division achieved a 10 per cent growth in profits, despite a reduction in paper prices and intensive competition because

of over-capacity in the paper Industry.
The stationery market has undergone lean times in

recent years as companies pruned their expenditure on office supplies during the re-There are, nevertheless, signs now of a distinct uplift in the market. This trend should continue for the next few years, according the latest

Euromonitor report on the

New outlets

In Britain, the stationery market is served by more than towards regular delivenes by 500 manufacturens and deals in contract stationers, replacing an extensive and growing product range that straddles the consumer and commercial mark. The stationery market is rife an extensive and growing proassorted purchases out of the
assorted purchases out of the
assorted purchases out of the
petry cash in many companies.
The stationery market is rife
twis. As the concept of the
"home office" develops, and
high street retail outlets seek a
larger market share of office and
comperial products set the disc.

lets as well as direct sales and tinction between consumer and discounting by manufacturers and prehensive in the commercial sales is becoming and wholesalers.

more blurred.

Office Equipment Digest supplies are a less exciting and perhaps less interesting area than office machine or furniture, of Barnet. Turnover figures last but the sector represents a very year were, respectively, £45m, substantial amount of expenditure and has been relatively arions independent whole-

tho



Despite the advent of the electronic office, there will always be paper in one form or another. Above: a multipurpose information distributor from IEM prints docu-

quality and receives and transmis electronically over ordinary telephone lines. The equipment can be used in conjunction with the IBM Mag

says the Key Note report.

A number of producers are also moving into direct mail,

perhaps forgetting that the spe-cialists, such as Inmac, are not

confidence in the market. More than 300 major UK com-

stationery requirements.

Specialists.

Card 82 typewriter. The laser technology enables the infor-mation distributor to print up to two separate type styles on a single page in any sequence. Nine type styles are available

it difficult to make good profits but the potential is clearly there, as can be seen from the results of some of the smaller companies in the field.

The question mark that hangs over the whole range of sta-tionery supplies concerns the effect which the computer may or may not have on traditional products—"the evidence to date is pretty inconclusive, but the future surely holds more of a threat than an opportunity for traditional manufacturers," says the OED report.

Wholesalers bave secured a strong position in the UK sta-tionery trade. The three major bridge; John Heath of Birming-ham and Neville and Gladstone

stable. salers are forming buying con-Some of the larger manufactoriums. These allow the small turers in this sector have found local wholesaler to buy at the

maximum bulk discounts, thus paper merchant which began allowing them to compete effectively. The largest of these consortiums is the Cluh Stationery group (turnover £42m in 1983), which includes 19 regional wholesalers, most of which are long-established family companies. Instat (turnover £29m), the next largest consortium, has 13 member-wholesalers. Direct sale manufacturers stationery spend. Despite the low unit costs of stationery, there are high fixed costs in-volved in traditional supply Direct sale manufacturers used to claim that an order of £300-£400 was essential for economical sales, but this has probably risen to £400-£500 now,

Single source has the attraction of shifting storage, distribu-tion and stock-holding costs to the supplier, and the user also cuts labour and accounting

Users also tend to rationalise the lines they use: out of 3,500 products available from Cartwright Brice, for example, the average number specified is 150.

"The most common objection to the system from non-users is the fear of buying all items prehensive in the products covered and well-produced if they are to succeed and create from one supplier," says Mr Ray Hook, Cartwright Brice's marketing manager, "but users with high annual spends consider the savings outweigh this particular hazard—providing the supplier chosen has sufficient size and experience to source method of purchasing stationery, according to a new report. Single source supply means that a company contracts one supplier to provide all its operate the system.

* Key Note Business Informa tion (01-253 3006); Office Equip-ment Digest (01-251 6504). † Euromonitor: stationery report (details on 01-251 6024). The survey, conducted by Cartwright Brice, the London-based stationery supplier and



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• Glare-free up-lighting: not a new idea, but one that is now proving a boon in the age of the VDU. Left: the new range of np-lighters from Project Office Furniture, and, right, lighting installed in the Swiss Haller furniture system at the London offices of Building Design Partnership. The BDP np-lighters are the SON-DL high pressure sodium lamp and the mercury halide Kolorare from Thorn Lighting

Up-lighting: a new buzz-word

Lighting the electronic office RITA GRAY

LIGHTING is a complex issue in the electronic office-but it is an area that often receives inadequate attention. Office managers ignore it at their own risk, because VDUs

are by no means proven healthy everybody to use under any d conditions.

Overhead lighting that does
Bad lighting can turn video not endanger the health of

tivity that as sought by automat-

lighting system of the sixtles The ceiling should be light, of

and seventies, is racks of neon battens sing across the ceiling of an open office, try taking a look into the screen of one of the word processors. It is quite likely to glare and gitter like the oncoming lane of the Mi at night. This is had news: you need low-luminance downward directional luminaires.

In plain English that means oncealed lighting strips hid-dend, for example, by cleverly designed louvres so that you only see the glare from directly underneath, if et all.

tex screens into positive health screen-working staff is unlikely happens, causing refractive distributions and answers of restervear, either hazards, causing refractive disorders, muscle imbalance and answers of resteryear, either disease in the eye and its orbit result; staff complaining of of view or that of capital investibles and staying away ment. This is another hidden from work. The very productivity that is consist by automated.

Actually, in the automated electronic office lighting should ing is lost.

If your office has the classic not be situated overhead at all.

course, but the sources should with floodlight-type uplighting be elsewhere. That brings up a (high intensity discharge buzz-word of the VDU age: uplighting.
Uplighting is not a new idea
—it was big in the 1930s in the

London Underground, and on the liner Queen Mary-but it is coming back to the fore as the only way to reduce drastically oversil glare in the electronic

Combination

Conventional halogen-lamp uplighters are good for small spaces, but they are costly and tend to drain an area of its colour. In bigger areas they can be combined with local lighting sources but here the snag is that many of the local lights have to be attached to modular furniture units. When such units are moved, as they fre-quently are in an open plan system, then the lighting plan

to obtain legally relamps) quired light levels on work surfaces with a glare level below the recommended index of

One type of local light which is useful in this context is the sort of bracket desk lamp coming out of Italy whose dish turns upside down for use with screen equipment.

The glare problem is not about to go away. Soon, just about every important desk in British business will be equipped with a cathode ray tube. It is a big health issue which bears the seeds of a severe health crisis as statistics emerge over the coming years.

The trouble is, a radical approach to eliminating glare involves re-designing the office from top to bottom. And we Nevertheless, it is possible

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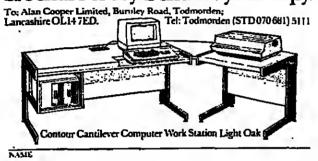
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COMPANY POSITION

TELEPHONE NUMBER



look London dealer reby the Officescape group at Cutlers Gardens in the City of London, incorporating equipment from Specialised Banking Furniture International. Left: Intercraft's Transform system range has been chosen by Hoare Govett for their offices in Heron House, High Holborn, WCl, which are heing refurbished. Included in Intercraft's contract are Transform



dealer desks, office desks, file storage, screens and Sedus chairs for 88 dealers. The latest innovation for the Hoare Govett dealer workstations are the Intercraft uplighters. Intercraft's contract has recently been extended to cover the sixth-floor equities and research departments. Installation will be carried out while the floor is partially occupied

Packages offer cash flow benefits

Leasing arrangements MICHAEL WILTSHIRE

BRITAIN has the largest leasing market for office equipment in Europe, with a 47 per cent increase in business last year reported by the 63 member-companies of the Equipment Leasing Association.

This brought the total of office equipment obtained through ELA members alone to more than £700m, hut a very substantial amount of equip-ment is obtained by end-users dealing directly with manufac-

The office equipment market is "very leasing orientated," not merely for the tax benefits but mainly because of cash-flow advantages, says the ELA.

In a study of current methods
of financing office eutomation.

the National Business Equip-ment Survey estimates that, on average, 43 per cent of equip-ment is leased, 40 per cent is oought, 15 per cent is rented and 2 per cent is obtained on hire purchase arrangements. There are indications now,

recovering and the consequent recovering and the consequent improvement in cash flow, that more office establishments are trying to buy less-expensive items outright, says NBES. Even a high proportion of relatively expensive equipment, such as facsimile machines, are bought outright (47 per cent).

The increase in leasing in the office sector reflects the expan-sion of Britain's leasing industry which is likely to achieve more than £3hn worth of new business this year, as iodustry brings forward its investment plans, following the phased reduction of capital allowances announced in the Budget.

There are clearly variations in the level of leasing within the various sectors of office equipment. With copiers, for example, the level of leasing may be as high as 80 per cent.

Leasing arrangements have particular appeal to new com-panies, since the office environ-ment is an important factor in giving clients their first impres-sion of the business. Its image, efficiency and management tech-

niques may all be pre-judged from this first experience.
Furniture, for example, may be leased. The period of the lease can be fixed to suit a client's needs, rentals are un-

affected by inflation and are fully allowable for tax pur-Black Arrow Finance, which

has wide experience in office equipment leasing, says that many companies—large and small, public and private—furnish their premises in this way, obtaining the use of boardroom. general office and reception furniture, as well as carpeting, cur taining, partitioning and light-

Example

Monthly rentals for a three-year agreement could range from £100 to £230 for, say, six desks, four filing units, reception and office seating, two cup-boards, carpeting for a business with 25 staff from £450 to £950. Black Arrow Finance was approached recently by a newly incorporated property develop-ment company in London's West End which provides high-

quality, short-term rented unce accommodation In one building more than £40,000 of furniture was supplied on lease - executive and secretarial desking, storage units and cupboards from topquality ranges with full wire management. Executive, sec-retarial and reception seating was also provided.

Small business systems

Microcomputer

ONE of the significant trends in UK offices is the increasing use of the microcomputer as

a word processor. The trend is accelerated by manufac-

turers offering word proces-sing as a composite package.

In 1983, NBES estimated that 32 per cent of offices with micros used them as word. Processors as their

prime application, but the current usage has now risen to 48 per cent. The survey also suggests that the need

to combine data processing with word processing is of significant importance to end-

Mini computers Micro computers

usage

Personal desk tops

Thus offices which might otherwise have been let as empty units to small businesses been fully equipped for occupation.

The monthly rental of about £1,500 can be apportioned to each of the individually let office suites, giving the property company complete management and financial control.

The range of leasing packages throughout the office equipment industry is increasing steadily, particularly in the computer market. Anglo Leasing, a leading company in the field, is, for example, launching DataLease for the microcomputer market

The package is geared primarily to a four-year leasing term, although three- or fiveyear options are available. Through Anglo DataLease, microcomputer dealers can offer a lease on a majority of micro-systems, including some software and a mixture of hard-

ware, if required.

Anglo, which has 20 years' experience in leasing, aims to provide additional advantages to both the dealer and end-user. Under the agreement, dealers receive payments within three days of submitting an invoice— an important factor for small and medium-sized dealerships.

1984

55,000

20,000

580,060 850,000

700,000 1,000,000

60,000

40,000

The demand for personal desk-top

computers

Estimates for small business computer installations by type in the UK. The real future growth will be in personal desk-top computers which will be suitable for both domestic and office use, according to market analysis, MM Corporate Services.

5.000

175,000

250,000

50.000

10,000

300,000

400,000

Planners seek greater degree of flexibility

Furniture design trends MICHAEL WILTSHIRE

BRITISH FURNITURE manu-BRITISH FURNITURE manifacturers are fighting back strongly against imported products by introducing highly flexible and stylish systems for the antomated office. The British Equipment Trade Association, through its furniture division, has formed the British Office Furniture Manufacturers' Group to promote the products and services of leading furniture manufacturers which together have a turnover of around £150m.

A number of leading manufacturers take the view that sooner or later there will be much simplification in the sys-tems furniture ranges, es a result of developments in office

This view is emphasised by Caplan, which has seen an 87 per cent increase in sales in the six months of this year. Mr Brian Matthews, Caplan's chief executive commenting on the emergence of the microcomputer in even the smallest businesses, says that "very few companies want to totally re-vamp their office environment with complex screen-based sys-tems furniture costing £1,500 a workstation just to accommodate a new piece of office machinery."

The versatile British-made Office Kit, for example, is the result of intensive study of the needs of the working office and of five years' of design and development. The system has achieved "considerable success" since it was launched two years ago. It has a range of flexible components which come in hit form for on-site assembly. The system takes care of wiring for information technology equip-ment and also caters for the design-conscious small office

Consortium

The Office Kit consertium, brought together by Michael Carson, comprises of four leading UK companies, each with The financial stability of the extensive experience in their supplier and his reputation for own field, to manufacture, continuity of supply where other assemble and market the areas the designers thought well own field, to manufacture, continuity of supply where other assemble and market the areas the designers thought well system. The main manufacture worth looking into, on the ing contractor is F. Rendell, grounds that the client may well part of the Lovell Construction want to come back for ad-

Lucas Furniture Systems, an seven years' time. ient UK company, gained a Design Council award this year for its Programme 2

The system has been adopted as the recommended furniture range for ICL, the UK com-puter manufacturer. In recent years, ICL has been implementing a policy of achleving com-mon standards in office environment across the Group-pro-viding offices with a high visual witing offices with a high visual appearance, high quality and the flexibility needed in today's fast-changing business world.

Although Programme 2 was originally selected for its large range of components, ICL bas now adapted its furnishing approach, providing L-shaped work stations, with work sur-faces all at the same height (as "machine" height tables inhibit

flexibility-in use-

design). There are screens where privacy is required, a mobile pedestal for personal storage and a medium-height storage unit for volume/general storage. This basic "ICL workstation" can then be subtly modified according to lob function and layout requirements.

STC Telecommunications (switching division) has also STC Telecommunications (switching division) has also adopted the Lucas Programme

system. The National Busin ment Survey, which has carried out a review of the systems mar-

thet, notes that, in recent years the sector has been inundated with "me-too" ranges. The result has been a pronounced result has been a pronounced tendency for the ranges to ape each other visually. One office planner in the survey explained that "a major problem in the systems furniture industry at the moment is that they all look

Evaluation

Other office-planners felt that "going to furniture exhibitions can be a mind-boggling experi-ence because of the sameness of the furniture on offer. There's very little dramatic dif-ference between manufacturers'

The systems furniture survey shows how office-design experts approach the task of evaluating suppliers and their ranges, the suppliers and their ranges, me importance they attack to various aspects of products; both aesthetic and practical, and analyses their opinion on a group of suppliers.

Jean Davis, marketing devel-opment manager for NBES, says

that "one of the most important aspects considered by planners is the question of function. This calls for a detailed analysis of the client's working requirements."
Office designers told NBES

that one of the most useful things a corporate purchaser could do was to persuade sup-pliers to let them visit existing installations. This was felt to be a much more informative exercise than

looking at displays of office furniture in showrooms and was second only in value to " mockups on chent premises," where suppliers erect sample workstations in the prospective purchaser's offices.

ditional items in three, five or

able dissatisfaction with the of after-sales offered by suppliers, so any sup-plier who has succeeded in establishing a good reputation for service should have considerable edge over his competi-

The report concludes that, for most part, it is the corporate purchaser, not the office designer, who made the final choice from the shortdist of possible suppliers, underlining the importance of the purchaser's meed to be well-informed on all aspects of suppliers' performance. For the decision is one that will have to be lived with for a considerable period of

Systems Furniture Survey: tables inhibit National Business Equip-and are not Survey (Tel 01-586 5420).

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Mr Gautam Barna, director of

High cost of office catering

Employees^y facilities SUE SHORTLAND

STAFF CATERING has become a major consumer — of employers' money. Some organisations spend as much as four per cent of their annual wage bills on feeding their workforces. The average price of a subsi-dised lunch in a staff restaurant £22.52). is a mere 50 pence, according to a recent survey of catering prices, costs and subsidies car-ried out by the Industrial Society. But the true price of such a meal can be as high as £4. And with British Industry serving more than 1bn meals in its staff restaurants and directors' dining rooms every year, the need has never been greater to find a way of reducing costs. Staff restaurants are an

attractive employee benefit. In general, the employee only pays the price of the uncooked unprepared food—that is, the basic raw materials. But this is only the tip of the catering iceberg. Behind the finished meal on its plate lie the hidden costs: fuel coosumption, rates, planning and design, management expertise, legal requirements, refurhishment, insurance, per-sonnel and training and, of course, labour, Industrial course, labour, Industrial Society figures show that for the

salaries, National Insurance con-tributions and employee bene-fits) to income (total sales excluding VAT) as being £112 to £100.

Consider a company's loss on Consider a company's loss on cost of materials and labour per employee: during this same sixmonth period, the overall average loss (i.e. subsidy per person) was £61.03 (a quarterly average of £30.51). Comparing this with 1981-82 figures indicates further how employers' costs are rising. Over this period an employer suffered an average loss of £90.08 per employee (a quarterly average of

Price rises

In order to try to recoup some In order to try to recoup some of these costs, employers could put up meal prices. However, they do not appear keen to do this. If the staff restaurant is supposed to serve as part of the benefits package, it can bardly be classed as such if prices are considered too high hy the staff. considered too high by the staff using it. Price rises may lead to industrial relations implica-tions — higher wage claims perhaps as well as lowered staff

There is also a psychological barrier to prices drifting over the £1 mark. If it becomes cheaper for employees to bring their own lunch to work with them, they will opt for this rather than spending extra cash in the canteen. And if the numbers using the canteen fall -the cost per head for the employer rises.

So organisations are finding first six months of 1983, the that as food costs continue to are moving away from running ratio of labour costs (wages, rise, they may be unable to staff restaurants, with their

And with labour and other costs rising too the subsidy per employee per year and hence the overall cost of running a staff restaurant will continue to spiral proveres.

Typical meat and two veg lunches, towards installing vending machines.

In a recent report, conducted by a major vending operator, 96 per cent of the 5,100 large com-

spiral newards.

The majority of staff catering concerns are managed and run internally by British industry with a catering or personnel manager/department in charge of the operation. But this in-house management does not necessarily provide the most cost-effective service.

It is becoming increasingly common practice for organisa-tions to engage outside contrac-tors to manage the catering facilities. Such contractors may be able to reduce a firm's catering costs considerably by their ebility to buy raw materials in bulk and even purchase equip-ment at lower prices that a company catering manager could negotiate.
For instance, one company

For instance, one company reported by Incomes Data Services (an independent industrial relations research company), in a study on industrial catering that it believed that the use of catering contractor could lead to savings of £16,000 a year on its £83,000 catering bill.

The main contract caterers in the hustess are Cardner Men-

the husiness are Gardner Mer-chant. Grandmet Catering Ser-vices, Sutcliffe Catering and ARA Food Services. It is estimated that over 35 per cent of organisations which provide catering facilities have this work dooe by outside contractors.

As a further attempt to reduce costs many companies

by a major vending operator, 96 per cent of the 5,100 large companies surveyed used vending

Although traditionally such machines have been acquired to provide staff with beverages, they are now increasingly being installed to sell food ranging from sandwiches through to full

Vending machines which are tocked daily can provide cold meals, such as salads, but, as well as this, if teamed with a microwave oven, food that has been cooked and blast-chilled. can be quickly re-heated to provide a hot lunch

Options

Companies may either rent or buy these vending machines. They can also either buy the food and train their own staff to stock and maintain the machines or they can engage an outside systemator to do these outside contractor to do these

Here, too, the contractors can help the employer to make savings. They can receive discounts on raw materials which the em-ploying organisation could not match as well as being able to provide a necessary maintenance back-up service.

As costs continue to increase, employers need to be aware not only of the importance of making cost savings but also of the options available in the catering

Big demand for computer-related systems

ONE OF the driving forces behind the expansion in the office furniture market is the phenomenal growth in microcomputer usage within business environments.

Computers, word processors, printers and disks all require purpose-designed desks and filing/storage facilities. Last year, according to the Office Equipment Digest, the UK market for tables and desks was up 12.5 per cent to £45m. Seating item sales increased by 10 per cent to £33m; and filing and storage unit sales were up 11.1 per cent to £30m.

SPECIFIERS' PRIORITES IN PLANNING OFFICES

The strongest growth area is for computer-related systems furniture, a market which some analysis estimate to be worth £52m, although its true size is difficult to prove A Key Note report says that while many systems suppliers publish price lists which usually relate to the cost per workstation and the grade of furniture used, flerce competition for contracts leads frequently to heavy discounting, which begins with the salesman making an offer that may be further reduced by his boss. Thus, price lists " are not very meaningful" and discount policy is often a closely-guarded secret, says the report.

The mood of the market leaders at present is, nevertheless, one of optimism, having just weathered the worst recession the industry has known

since the 1930s.

All leading suppliers offer systems furniture as part, or all, of their ranges. Some, like Project, appear to offer a package, which is a "memi" of con-

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Furniture MICHAEL WILTSHIRE

Others, such as Westinghouse and Herman Miller, the leader think in terms of screens surrounding a work station, with storage units hung from the screen, and wiring passing through it. Desk-tops are also built on these screens, with the emphasis being put upon the maximum use of space.

Furniture emerges as sector of "major importance among office equipment dealers, in terms of turnover. A fifth of the UK dealer community says that furniture now makes up between 21 per cent and 50 per cent of their income, according to a recent report by the National Business Equipment Survey (NBES).

age, which is a "memr" of conventional furniture units (i.e. sold in the UK last year were desks, chairs, storage units and the President range from

MI 3 YEAR'S TIME

ectronic Office

Low Running Cost

important factor in three years' time.

As for the dismissive one-

from-bottom rating accorded

to "comfort," this may prove to be a reflection of respon-dent disquiet over the whole

concept of the non-cellular, non-private office environ-

ment. Without a doubt, says NBES, it prompts the ques-

tion: "What price ergonomics

Sales of office furniture in general have increased in two years from £127m in 1982 to £151m in 1983, according to Business Monitor. Sales for the first quarter of 1984 were up by 14 per cent on the same period of 1983. The Key Nota report suggests

that 23 per cent of all UK office furniture sales in 1982 were for systems furniture. It predicts that the trend towards this type of furniture will continue and that sales of traditional stand-alone desks will slowly decline. The trend towards sales of "systems" packages which generally include a design and consultancy element, as well as methods of dealing with special problems such as lighting and wire management, reflects the new "problem solving" approach to the selling of office furniture. Vickers, for example, has doubled its sales of system

The sales of the UK's largest manufacturers of wooden office furniture, Project, also reflect emphasis is placed on short-term this growth. Sales of their productivity than on staff satis"4000" systems range have more faction, thinks Mr Steel.
"In the UK we have been

furniture within a year.



hir Bob Steel, managing director of the Project group: predicting big growth in desked furniture of a modular nature suited to exact indivi-

(15 per cent), Project (15 per cent), and Caplan (10 per cent) according to NBES. Project, with sales of 60,000 desks in 1982, now estimates

its own market share at more

Most major manufacturers agree that the furniture indus-

try bas enjoyed a high level of activity since last year, reflect-

ng tha emergence of latent

demand flowing through from both new office developments

major refurbishment

than 20 per cent.

Mr Jack Lucas, marketing director of Lucas Furniture Systems which this year wou its Programme 2 range

office furniture: confident that UK products can compete Arenson (21 per cent). Project sales of keyboard (computer)

furniture. Managements are more sensitive to the issue of staff 'facing the screen.' So they tend to go for lower height tables have grown from nil to over 20 per cent of sales ni desks and tables within this range in just three years. Project's turnover grew from £11.7m in 1981 to £17.7m in 1983 and less density of screens. The result is a less oppressive use and is expected to be well up this year. of screens—which provides real
aesthetic benefits and improves

in international markets

the acoustic environment," he

Clearly, says Arenson,

strength and durability.

specification and materials em-

"The big growth is in desk-based computer furniture of a modular nature, which can be combined to suit the exact needs of each individual, then subsequently re-arranged as require-ments change," says Mr Bob Steel, managing director of the Project group which includes Project Office Furniture and Propaffor, of Luton, a leading raised-floor manufacturer.

The Organisation for Market Research in Office Equipment (OMROE) conducted surveys late in 1983 which revealed that 72 per cent of a sample of companies both small and large intending to purchase micro-computers this year would also buy special furniture for them.

Intentions

Korn Ferry International had already revealed in their survey of Business Equipment Trends 1983/84 that over 67 per cent of the UK's top companies intended to increase expenditure on technology-led products over the part top years. over the next two years. A Frost and Sullivan report esti-mated the UK office computer market would grow from \$300m in 1982 to \$4.68bn in 1990.

market is also emphasised by Mr Jack Lucas, marketing director for Lucas Furniture Systems, which in May, this In the U.S., relatively more year, won a Design Council Award for its highly successful "In the UK we have been Programme 2 range,-

This year Lucas set a target of 25 per cent sales growth and has already exceeded it. The company is now aiming for similar increases in sales for the year-ending March, 1985. Turnover now exceeds f5m.

Caplan Office Furniture, a subsidiary of Pentos, recently announced an 87 per cent increase in sales for the first six months of the year — a good indicator of the upswing in the "simple systems" market.

Mr Brian Marthews, Caplan's chief executive, says that a large part of the success of the company, which was faltering badly when Pentos took it over in 1979, is due to the launch of the Novus systems range which meets a growing demand for simple furniture systems that will accommodate new technology but not look out of place alongside traditional furniture.

The furniture sector has seen a number of notable changes in the past year. Steelcase Strafor. Europe's largest manufacturer of office furnishing systems, bas decided to pursue a dealer-only posicy. Once this system is set up, the company will make no direct sales.

Steelcase Strafor (set up in 1979 as a joint venture between the U.S.-based Steelcase organisation and Group Forges le Strasbourg of France) is look-ing for 10 per cent of the overall UK market. UK turnover was £7.5m last year end could The increasing need in the UK to upgrade technical sub-standard office accommodation in light of the requirements by reach £12m this year.

Last October, Ergonom Intertoday's technology - conscious lessee has create a large and growing market for systems furniture with its in-built wire management and modular national acquired a controlling interest in Hille International, one of Britain's leading designers and manufacturers of con-tract furniture. In January this year, Hille's products and manu-Arenson, for example, has facturing facilities were rationbenefited from the resurgence in demand and captured an inalised, resulting in the sale of the company's interests in the creased share of this growing Hille System of office furniture market. A major factor in the to H. N. Barnes, which was company's success is the deallowed to use the name Hille System for 18 months.

velopment of new products which reflect end-users' demands for well designed office furniture, using high grade materials. Hille continues to expand its activities in the design and production of executive office fur-niture and, in particular, its award-winning Supporto chair clients are prepared to pay for quality, both in terms of design range. Ergonom, as importers, represent two major European manufacturers in the UK: Uni-for Emme of Italy, makers of the Modulo 3 and Misura ranges; and Wilkahn of West ployed, and the stringent requirements of British Standards, such as BS5459, which, call for high standards of Germany,

Mantela Contract Interiors, the six-year-old UK subsidiary The buoyancy of the systems of Martela of Finland, last year saw its volume sales leap by 43 per cent, relying entirely on direct selling. This year the company is working on an esti-mated increase of 112 per cent on its 1983 turnover of £2.1m-

A micro-computer and printer workstation in Project's "4000" furniture range. Project is the largest manufacturer of wooden office furniture in Britain

Facilities managers seek ways to cut costs

Britain This summer moves were

made in the UK to form a pro-fessional organisation for facilities managers, as already exists in the U.S.

As organisations change more rapidly and the electronic office becomes inextricably bound up in the physical fabric of buildings, the result of poor judg-ment in managing space and facilities now leads to punish-

mgly heavy occupancy costs.
The facilities manager thus
finds himself and his highprofile joh exposed as never Trickett of the Institute of badly informed.

Association; and Mr Terry Trickett of the Institute of Administrative Management. badly informed.

For the first time in London,

ment Show, Earls Court Exhibition Centre, London (jointly organised with BED Exhibitions Ltd), October 23-26 1984.

Other key dates ... in the

MILLIONS of pounds are spent a group of managers and each year on office products, planners met recently for a conservices and maintenance by ference to examine ways of facilities managers — members reducing occupancy costs and of an emerging profession that improving building performing often difficult to identify in anca.

The opening address of the the Workspace" was given by Sir Monty Finniston. Others taking part included Cornell University's Prof Franklin Becker, who leads the world's first graduate course for facilities managers; Dr Francis Duffy, a partner in architectural con-sultants, DEGW, and editor-inchief of "Facilities," a monthly digest for building managers; Richard Eppley, for the Inter-national Facility Management

Exhibition diary dates

THE EXHIBITION programme for the Business Equipment Trade Association (BETA), which represents the world's second largest business equipment industry, includes the follow-

London Business Equip-

International Show, National Exhibition Centre, Birmingham, October 21-26 1985.

1984-85 exhibition programme in which BETA members will be involved include the Orgatechnik, Cologne, West Germany, October 25-30 1984. Comdex Europe, Amster-

dam, Holland, October 29-November 1 1984. Hanover Fair, Hanove West Germany, April 17-25

Association for Information and Image Management, Washington DC, April 29-May 2 1985. Compec Europe, Brussels, Belgium, May 1985. IFABO, Vienna, Austria, May 1985.

MANUFACTURER'S PROFILE: VICKERS FURNITURE

Vickers plans 'a secret weapon'

VICKERS FURNITURE, the telecommunications link- britain's leading manufacturer of steel office furniture, storage and filing systems, has (what some executives call) a new "secret weapon" to launch on the highly-competitive systems furniture market, early next says Mr Chris Glasson, chair- says Mr Chris G

The National Businesses

Equipment Survey recently

asked a group of major office-planning consultants and corporate specifiers in the UK to rank six office design aims in order of importance.

As this chart shows, "flexibility" emerges as the top-nost priority, but respondents anticipated "provision for the electronic office," may become an almost equally

year.
Company officials are clearly optimistic about the new development which is believed to combine the best of European. and U.S. style systems. Heavy investment has gone into Vickers Dariford factory which now has some of the most sophisticated manufacturing equipment in the furniture

Vickers has a continous product development programme: last year, at the International taunched the latest innovation accepted by the Design Centre, to its System E range, plus three London. Business Show, the company launched the latest innovation

new ranges of seating.

Vickers Business Equipment, directly through its own sales

Vickers has worked closely a separate division, was formed force. The company is the
with British Telecom to produce in 1981 to co-ordinate the activilargest supplier of steel desks

man of Vickers Furniture.

The system allows the customer to purchase the whole package with the choice of acquiring extra compatible furniture in the future.

and abroad. The resus-successful Delta chair range successful Delta chair range and abroad. The result is the which has recently

Vickers Business Equipment,

furniture in the future."

In the seating market, with the UK company acting as a British agent for the French companies product, and vice with the best German engineering and Italian styling and product development promited by the products to catch up gramme. As a result, an increas-

ducts is now made in both countries for example, the UKdesigned Delta chair range.
Vickers Furniture sells
through trade dealers as well as directly through its own sales

Roneo an France.

The division (part of the giant Vickers group with a dozen major markets ranging from industrial equipment to aerospace) handles export that the UK office furniture marketing for all three business equipment companies—and is boost as the financial houses of Londoo lead the rest of Europe applying new office technical control of the leading European. in applying new nffice tech-nology—and thus install the systems furniture to go with it. As an example of the British

influence on the European market, Vickers points to a significant order received from the Bank of Bruxelles and European furniture manufac-turers, but which was undoubtedly influenced in its final choice of a British product because of its successful application in the UK's own financial

What some people do when they buy a computer.

Buying a computer that's right for your business is often a matter of luck.

However careful you are, you don't know whether you've made the right choice until the computer is actually in use at your office. By which time its too late to change your mind.

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Rent a system for as long as you like with no commitment risks cut out the coupon. to purchase. When you're convinced it's right for you, buy it at a reduced price or arrange a long term rental. If it doesn't work out you can always try something else. We stock all the top names so you're sure to find what you're looking for and we also provide a full training programme. If a major breakdown occurs during rental we guarantee to exchange or repair your computer within a working day.

You don't have to keep your fingers crossed when buying or renting a computer from us.

If you want to cut out the

Cuts out the risky business.

Sector wins new lease of life

Microfilm GEOFFREY CHARLISH

MICROFILM IS sometimes dismissed as "old technology and it is true that the optical disc, able to store 0.5m A4 pages on a 124nch side at very low cost has caused ripples in the microfilm business.

In fact, the choice of bulk storage is one of "horses for courses. Key factors are the origin of the data, its access frequency and the location of the recipients, how much there is, whether it has to be updated, how long it will be kept, how securely it must be stored and, of course, what the cost is of keeping it.

£112m market

In many cases, when each of these is carefully considered, microfilm wins. According to Mr. Gerald Baker, a market research specialist, the UK market alone will be worth £112m in 1984. Much of this is spent on conventional microfilm eameres and renders, on COM-(computer output on microfilm) and on materials and services. and on materials and services, record them on optical discs.

However, expenditure is grow. Here, more frequent access is ing on computer sided retrieval involved from many terminals, (CAR) of roll film and more recently, of microfiche. Bell and

In the financial institutions there are many customer documents bearing signatures of which true facsimiles on microfilm are the only alternative to the paper itself. Access is infrequent.

Other companies have customer paperwork, the originals of which (or a representation) might need viewing when sales

or payment queries occur.

Obviously none of these is a candidate for keying. A case might be made for scanning the original document and storing the resulting digital data on optical discs. Mr Richard Austin, European managing director of Bell and Howell, thinks such equipment will appear before long in standalone form, at affordable prices.
However, such records are
not a true facsimile and might
not be legally admissable in
some parts of the world.

In other industries, things are changing. For example, General Electric of the U.S. recently decided to scan the existing 1.5m microfilmed drawings and production documents in one of its plants and digitally

some remote. The GE system was deve-

Howell expects to sell £1m of loped by Integrated Automation high-resolution cathode ray its CAR equipment this year. based on the Thomson CSF disc. tube display located almost Kodak, Integ and 3M make similar units.

A similar system has gone into anywhere. the U.S. Library of Congress in Kodak has developed an

A further likely trend for drawings will be the direct recording of computer-aided design graphical data on to optical disc.

Kodak is developing KIMS (Kodak Image Management System), in which electronic display features, but the basis of bulk storage remains the roll of 16mm microfilm.

Two systems

The film is accessed using two systems. One is the recently introduced KAR 4000, which allows access to computer files from which previously entered summary details of a specific microfilm frame can be displayed on a screen and keyboard unit. Alternatively, the frame Itself is printed the operator using index and roll film location instructions provided on the screen.

The second KIMS element is a system which, obeying instructions from a terminal (which can be remote), will select a film cassette from a mass store, find a frame, scan it using semiconductor cameras and make the image available as a digit stream. The images film market continues to grow can then be brought up on a at 10 to 12 per cent a year.

Kodak has developed an

optical disc system of its own (14 incb discs storing 100,000 pages of text). How this can fit into the KIMS approach without invalidating the microfilm element is not clear, since the original documents themselves, if they exist, might as well be scanned and put on the

Mr Gerald Frankel, chairman

of Imtec in Stanmore, Middlesex, thinks conventional micro-

Systems like KIMS and a similar development from Antone Systems of Bournemouth (into which an optical disc is about to be incorporated) are expensive and likely to be used only by large organisations needing immediate, remote, multiple terminal access of quite large databases. For smaller-scale applications,

filming has a long way to go yet. For example, it is still very cheap for companies to send monthly updates of data to customers or suppliers via mailed microfilm. In addition, his company has just announced a camera that microfilms CAD screens for cheap distribution of drawings. Dicomed has a similar equipment.

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relocation package when moving with the company **Key factors**

in office relocation

Moving offices may well bring wide benefits to companies but these are often only fully achieved if employees are offered an attractive

Moving offices to new areas SUE SHORTLAND

WHEN AN organisation considers relocating to another part of the country, e number of vital factors must be borne in

mind.
The sultability of the new ores and the physical processes and requirements of the move itself must be considered in

But, an organisation's staff Alternative are indeed a valuable asset. Key staff from the old location will employing organisation and alternative mologing organisation. need encouragement if they are going to move with their com-pany. And if it is considered that it is in the organisation's best interest for as many of the existing staff—junior as well as

existing stail—numer as well as senior—to move with it as well, then they, too, will need to see the benefits of relocation.

Moving to a new area not only means that staff have to find somewhere new to live, but they also have to consider the proalso have to consider the pros-pects of new employment for the spouse and new schools for the children. No one likes being uprooted from an area where they have ties—family and

So, in order to encourage employeee to move, many com-panies draw up relocation packages to ease the financial burden. Organisations may offer a basic set of allowances for ower-graded staff but give more help to senior employees.

The scope of e relocation

package can be very broad. It typically contains the following: House-hunting allowances these generally include payments of or towards travelling expenses to and from the new location. They may also cover subsistence costs—such as hotel and meal costs— while the employee and spouse look at properties.

Allowances

House move allowances these cover removal costs, insurance premiums for the cover of personal effects during

the move plus any forniture storage charges.

• Disturbance allowances—
these help to cover the cost of moving house and may take the stances. The inhese help to cover the cost of moving house and may take the form of a flat-rate payment or be paid as a percentage of salary. The cost of decorating the new property, the cleaning and refitting of carpets, the alteration or purchase of curtains, the cost of telephone installation and reconnection charges for gas and electricity may be covered in the disturbance allowance or may be paid as separate allowness.

• House sale/purchase allowance—the relocation package generally includes the reimbursement of legal fees, building society survey fees, estate agents' fees and may also cover land registry fee, stamp duty and architects' fees.

But despite all this financial

But despite all this financial assistance it is not as easy as it may appear to move house in line with the employer's time-scale. An employee may be expected to start work at the expected to start work at the new location on a certain date whether or not the old house has been sold. It does little for the employee's morale to commute on a weekly basis between home and the new place of work, staying in hotels during

the working week.

Employers may, therefore, offer bridging loans interest-free for a certain period. But if the employee has been unable to sell the old property at the end of this period, the employer is in an awkward position. If the employee's services are highly valued, it is not in the employee's interest to start clawing heck the bridging loan at high interest rates—the employee may, at the worst decide to stay put in the old location and leave the company or, at hest, suffer reduced morale.

An alternative is for the employing organisation to use the services of a professional relocation company, specialists (the main include Bleck Horse Relocation, Homequity Relocation, Mann Countrywide Relocation, Merrill Lynch Relocation and Simmons Relocation) offer guaranteed home-sale programmes.

Under these programmes, the relocation company buys the employee's old property at an sporaised price. The employee receives the eash for the house and so is at the end of the bousing chain when buying property in the new location.

This means that the process

of selling the employee's old house is speeded up as the property now belongs to the relocation company which is then responsible for selling it as soon as possible. The employee becomes a cash buyer in the new area and can move and settle down more quickly.

The organisation which engages the relocation company

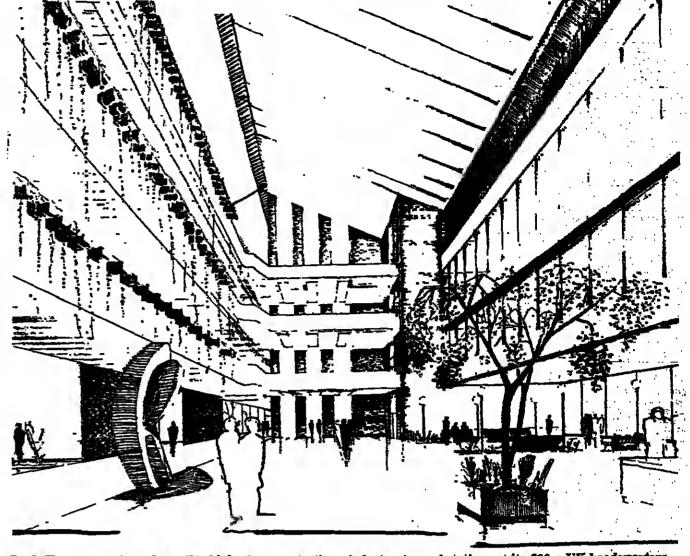
pays a management fee as well as incurring costs such as valua-tion and solicitors' fees—but this can work out cheaper than a lengthy bridging loan. Problems can arise, however,

when a company relocates from an area of low-priced housing to one where prices are signific-antly higher.

The relocated employee will need to raise extra money for a higher mortgage—and, indeed, may not wish to transfer with the company if prices are too

high.
Some companies try to help employees (in general, key senior staff) in such circum-

after, say, seven years, the employer's contribution is



Rank Xerox expects to have the highest concentration of electronic workstations at its £30m UK headquarters at Marlow. Above: the entrance area which will house a permanent exhibition of the company's products

Plan for 800 electronic workstations



Mr Derek Hornby, executive director, Bank Xerox: plan-ning investment of £10,000 in

WHEN THE new £30m "international" headquarters of Rank Xerox opens in the UK in 1986, It is expected to have the highest concentration of electronic workstations

to be built at Marlow, in the heart of the Buckinghamshire countryside. The headquarters will cover nearly 1m sq ft and accommodate 850 people, and accommodate 850 people, most of whom will be moving from the company's present hubilings in London's Easten Road and at Uxbridge and Aylesbury.

Ethernet

The new headquarters is intended to meet the com-pany's needs well into the 21st century, says Mr Derek Hormby, executive director.

have a workstation, linked to the Xerox Ethernet cable. Ethernet enables office

machines such as electronic typewriters, word processors and microcomputers to ex-change information electronically and to link up to printers, electronic files and telecom munications services.

Mr Hornby says that the most powerful Kerox work-station, the 8010, which was originally designed for execu-tives, will be provided for many of the company's senior secretaries, as well managers. "Just a few years ago the investment in machinery for a senior secretary was 0 few hundred pounds for a type-

writer: at Marlow it will some £10,000 per person," he The Xerox 8010 workstation will be used to create and amend documents; to build up

shapes; to receive information over Ethernet and to send information via Ethernet to be distributed, filed or printed; to act as a teletype for linking to Telex; and as a terminal to the mainframe computers, including access to artificial intelligence.

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Worldwide

Satellite communications will link the Marlow head-quarters with Xerox Corporation's headquarters in Solm ford, Connecticut and to other Rank Xerox componies Rank Xerox around the world.

The company's relocation to The company's relocation to Marlow is expected to lead to cash savings of £2m a year as it will end duplication. If central services, while also providing accommodation fitting for an operation at the forefront of changes in office technology.

Innovation abounds in all sectors

CONTINUED FROM PAGE 1

machinery for each senior

'til tomorrow," comments an OED analyst. "Anyone who can make a copier that breaks down as seldom, for example, as a vecuum cleaner, must be on to a

The Japanese dominate the world's production of low and medium-volume production of low and medium-volume copiers—even Kerox in the U.S. gets its low-volume copiers from its Japanese associate company.

Canon, the Japanese office copier manufacturer, has consolidated its position in the UK market. It had 21 per cent of the nearly 150,000-unit market last

year—ageinst 14 per cent for its nearest rival Rank Xeroz, according to a survey by the magazine, "Whet To Buy For Business," The market share figures are estimates of numbers sold, rather than In turnover terms, Rank Xerox leads

largely because of its strength in the big copier market, says the report.

Office furniture: After several lean years, sales in this sector are rising fast as offices instal computer-related furnias omces instal computer-related furniture systems. The storage needs for to-day's computer print-outs are different from the stationery of the past. So, too, is the furniture needed to support, house

and protect technology.

Above all, office staff are becoming aware of the need for better furniture; if the machines need dust-free, wellventilated, vibrationless, temperate sur-roundings, then many of Europe's 50m office workers are not going to be con-tent with barrack room furniture. Research clearly shows that today's integrated furnishing systems help staff

to achieve the best results from the computer equipment.

Office stationery: The term "stationery" has now been expanded to include all types of computer supplies which, in turn, here given a substantial hoost to the stationery and office.

plies which, in turn, heve given a substantial hoost to the stationery and office "consumables" sector. While a piece of paper can survive in a dog-cared file, a floopy disk is much more delicate and needs careful handling. Its filing, classification and case of access are all matters for concern.

"The more that office stationery companies can help to deal with such problems, the better," says OED. In the case of the computer, the volume of paper and the sheer size of the individual sheets is a factor that the everage filing system cannot handle. system cannot handle.

As equipment-buyers soon discover, discounting is rife across many sectors

discounting is rife across many sectors

after equipment industry. This
in the U.S., as profit margins are exireately tight in the UK.

End-users may wonder why the challeaging opportunities in the industry
produce so little in the way of profit
many equipment mathifecturers. The many equipment manufacturers. answer probably is that there are simply too many suppliers with too many pro-



Mr Richard Palmer, director general of the British Equipment Trade Association: the flourish ing market reflects the revolu-tion in office administration

ducts and not enough in the way of unique items. Success has gone to those companies which heve produced real innovations, that is Xerox and its copiers and IBM and the golf hall typewriter.

the golf hall typewriter.

But the next generation is now due—
and this does not only apply to expensive
machines. The typewriter, for example,
opened the door years ago for all sorts of
products (ribbons, carbon peper and so
on) hut far greater opportunities now
exist for new technology office products.

In Britain, BETA's new data research
programme will enable the association to
monitur the rapidly evolving business

monitor the rapidly evolving business equipment industry and also comment authorisatively on the effects of these changes. The project will also add significantly to the marketing information provided to more than 200 member-companies which range from the major multinational equipment suppliers to TV and computers.

TV and computers.

TV and computers: viewpoint, Mr
Louis Demetrion, general secretary of the
UK's Office Machines and Equipment
Federation (OMEF), speaks of the flood
of new products that are coming on to the busy "but rather chaotic" market place. Discounting on manufacturers' "recommended" prices is a big problem, he agrees, "but everyone blames every-

one else."

The increase in new technology products means that Britain's main, established dealers, which number around 1,800, have to establish a close relation-

LSUS, have to establish a close relation-ship with manufacturers while at the same time offer a lot of "hand-holding" for end-users of equipment.

This is in stark contrast to those areast of the trade which are merely "box-shifters" or what he terms rapid-turnover discount houses, offering very dittle after-sales back-tip for customer. sales back-up for customers. As costs rise in the development of

As costs rise in the development of new computer equipment, and, in particular, software, BETA members are concerned with the question of intellectival property rights. A special committee was formed this summer to help clarify the position and raise the level of understanding between manufacturers, users and providers of software.

The META committee is also seeking amendments to the 1956 Copyright Act which was drafted long before the age of modern copier, video recorders, cable TV and computers.

Office equipment machines once had a

or modern copier, video recorders, cable TV and computers.

Office equipment machines once had a life-cycle of six to seven years on average, but "18 months is a long time these days" in the life of some areas of equipment, comments Mr Alan Swift, BETA's administration director. The consumer, he agrees, has been "hit between the eyes" with all kinds of innovation and it is difficult to achieve cohesion in such a wide-ranging industry.

With signs of micro mania sweeping through the office world, there is clearly growing commitment to modern business systems and a belief that it will make operations steadily more efficient and cost-effective.

Surveys in the UK show that the majority of companies—at least 70 per cent—review their business systems each year. Out of 255 separate companies surveyed by BETA, more than half reported that they now make a major husiness equipment investment each

husiness equipment investment each

A significant proportion (27.5 per cent) of companies had delayed purchasing decisions as e result of the recession. However, 67.7 per cent of companies intended to increase expenditure on technology-led equipment over

the next two years.

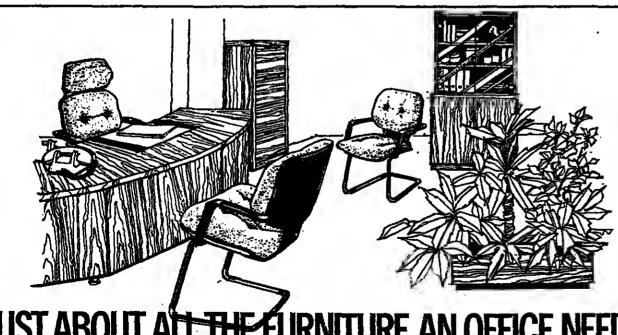
Clearly, such trends as these bode well for the office equipment industry.

* London Business Equipment Show.

Earls Court, October 23-26, 1984 (details on 01-647 1001).

** The National Business Equipment Survey, 71 Quickswood, London, NW3 3RT (tel. 01-586 0403), † Office Equipment Digest, MM Corpor-ate Services, 38/40, Featherstone Street, London, EC1Y SRN (tel. 01-25 18504), †† Oasis report: Whaston Information Systems, Richmond on Thames (tel. 01-940 7366), † Business Equipment, Tranks, Korn/

t Business Equipment Trends, Korn/ Ferry International, London, for BETA, S. Southampton Place, London Willa



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